



**REGULAR MEETING & WORK SESSION
OF THE CITY COUNCIL**

June 9, 2015

**ADDISON TOWN HALL
5300 BELT LINE RD., DALLAS, TX 75254
5:30 PM DINNER
6:00PM WORK SESSION
7:30PM REGULAR MEETING**

WORK SESSION

-
- A. Presentation and discussion regarding a public comment section on the City Council agenda.
-
- B. Presentation regarding the Addison Athletic Club Master Plan including recommendations from the Master Plan Committee.
-
- C. Presentation and discussion regarding special assignments of members of the Council regarding various non-profit entities, Addison facilities and projects, and local, regional and Statewide organizations to which the Council members serve as liaisons.
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REGULAR MEETING

Pledge of Allegiance

Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

Consent Agenda: Items 1-6

All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.

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1. Minutes for the May 26, 2015 City Council Meeting and Work Session.
-
2. First Amendment to Conventional Hangar Lease with ADS U.S. Sport Aircraft, LLC, in connection with a city-owned hangar located at 4700 Airport Parkway on Addison Airport.
-
3. A resolution approving a lease agreement with Jani-King International, Inc., for a conventional hangar at 4730 George Haddaway at Addison Airport.
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4. A resolution adopting the Naming and Recognition Policy for structures, parks and trails.
-
5. Release of the retainage and final payment to C. GreenScaping, LP. for the completion of the Redding Trail Expansion in the amount of \$13,459.34.
-
6. REPLAT/Quorum West Lots 1R and 2R, Block 2. Replat for two lots totaling 2.775 acres located generally at 14930 Landmark Boulevard, on application from Cumulus Design, represented by Mr. Quadri Akamo.
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Regular Items

-
7. Presentation by the Metrocrest Chamber to Council Member Carpenter for the successful completion of Leadership Metrocrest Class XXVI.
-

8. **PUBLIC HEARING** Case 1715-SUP/Public School 972. Public hearing, discuss, consider and take action regarding Ordinance Number O15-014 approving a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on the property located at 14854 Montfort Drive, on application from Kelly Architects, represented by Mr. George Kelly.

9. **PUBLIC HEARING.** Public hearing regarding the process and criteria for selecting a person to serve as the new City Manager.

10. Presentation and discussion regarding an update on the search for the new city manager.

11. Discuss, consider and take action regarding appointments to the Finance Committee.

12. Discuss, consider and take action regarding an appointment to the Planning and Zoning Commission.

13. Discuss, consider and take action regarding an appointment to the Board of Zoning Adjustment.

14. Discuss, consider and take action regarding a resolution approving Service Agreements with Oncor Electric Delivery Company LLC for the Beltway/Proton Pedestrian Connectivity Project.

15. Discuss, consider and take action regarding an agreement with Groves Electric Service Inc. for an amount not to exceed \$2,018,182.26.

16. Discuss, consider and take action regarding an agreement with Lea Park and Play for the installation of a new playground at Les Lacs Park for an amount of \$194,763.

Executive Session

Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to seek the advice of its attorney(s) regarding pending litigation: Town of Addison, Texas v. ProAir Developments, L.P., Cause No. DC-13-15164, 14th Judicial District, Dallas County, Texas and anticipated litigation, Hunse v. Town of Addison, et. al, and anticipated litigation regarding use of newsletter email distribution list.

Reconvene from Executive Session

RECONVENE INTO REGULAR SESSION: In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

-
17. Discuss, consider and take action regarding a resolution approving the release and settlement agreement regarding the Town's newsletter email distribution list.

Adjourn Meeting

NOTE: The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including §551.071 (private consultation with the attorney for the City); §551.072 (purchase, exchange, lease or value of real property); §551.074 (personnel or to hear complaints against personnel); §551.076 (deployment, or specific occasions for implementation of security personnel or devices); and §551.087 (economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

Posted:
Chelsea Gonzalez, June 5, 2015, 5:00pm

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES.
PLEASE CALL (972) 450-7090 AT LEAST
48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

AI-1163

A.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: City Manager

Council Goals: Enhance sense of community for all stakeholders/Expand Volunteer Opportunities

AGENDA CAPTION:

Presentation and discussion regarding a public comment section on the City Council agenda.

BACKGROUND:

During the April 28, 2015 Regular Meeting, the City Council directed staff to provide a recommendation for the implementation of the public comment section on the City Council agenda. Staff will brief the Council on their recommendation.

RECOMMENDATION:

N/A

AI-1135

B.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Parks & Recreation

Council Goals: Create raving fans of the Addison Experience.
Infrastructure improvement and maintenance

AGENDA CAPTION:

Presentation regarding the Addison Athletic Club Master Plan including recommendations from the Master Plan Committee.

BACKGROUND:

The Master Plan Committee's (MPC) Goal was to develop recommendations to the Council, which focus on future updates of the Addison Athletic Club to create a comfortable environment where fitness, wellness and recreation activities/programs are a priority, and can be adapted to the existing building footprint. This involved consideration of ideas to update the interior building appearance and functionality by re-purposing spaces based on the community's input.

The first step in the Master Plan process was to engage the community via social media and community focus group meetings to obtain as much feedback as possible. The survey process involved distribution of questionnaires in December 2014 developed by the architects and staff. 112 paper surveys and 38 on-line surveys were received, with 52 members participating in the focus group meetings held December 3 and 4, 2014.

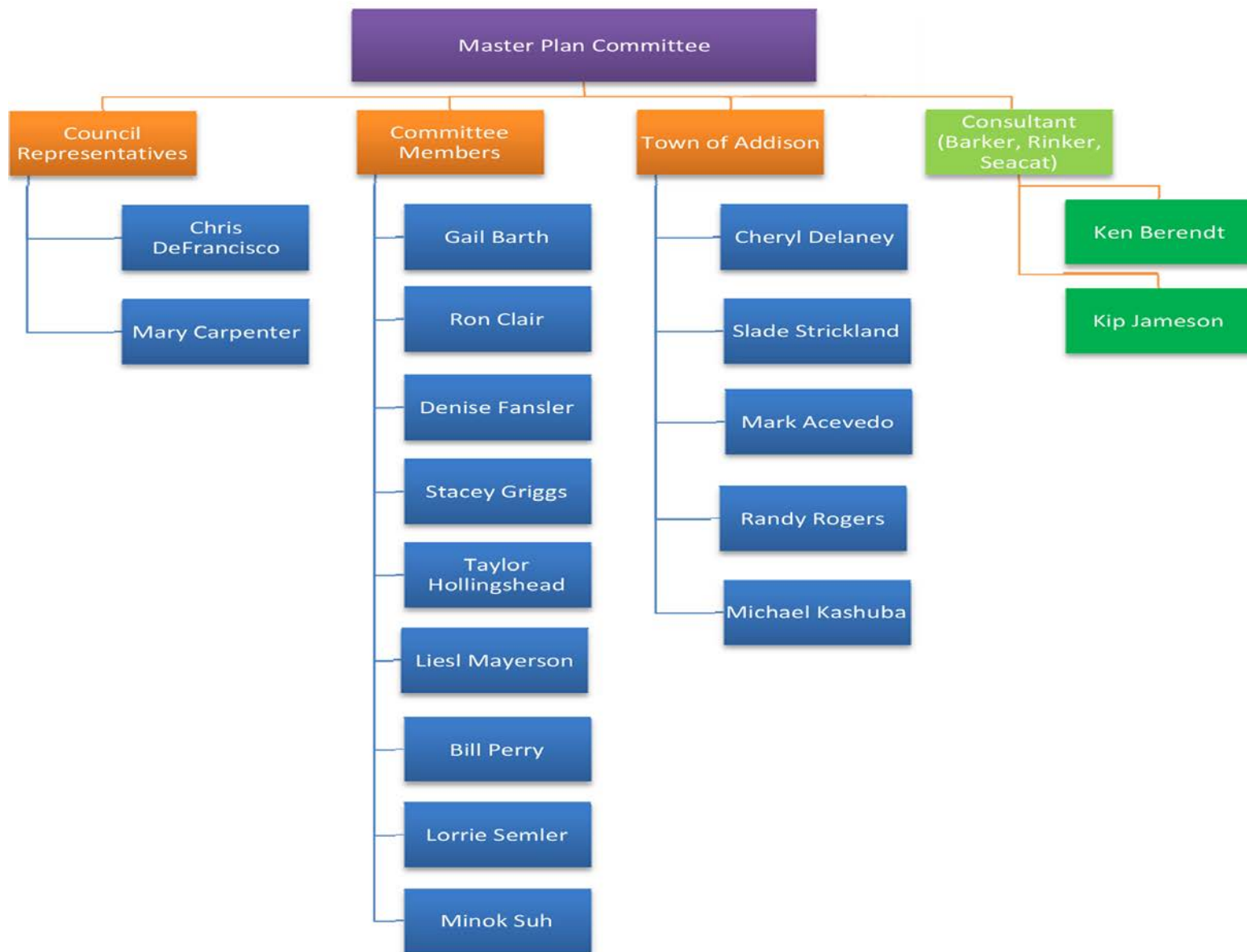
The 11-member Master Plan Committee was selected following the survey and focus group process. A series of four MPC charrette workshops were held over a four month period of time with BRS Architecture representatives and staff team members. A MPC roster is attached.

RECOMMENDATION:

The Master Plan Committee recommendations will be presented to the Council at the June 9, 2015 Council Work Session.

Attachments

Master Plan Committee Roster



AI-1158

C.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Council

Council Goals: N/A

AGENDA CAPTION:

Presentation and discussion regarding special assignments of members of the Council regarding various non-profit entities, Addison facilities and projects, and local, regional and Statewide organizations to which the Council members serve as liaisons.

BACKGROUND:

Historically, a series of "liaison" assignments have been divided up between Council Members. These assignments are intended to provide a greater depth of understanding about the technical nature of certain community features, issues, or programs such as the Airport, Economic Development, or the Arbor Foundation.

Provided as attachments are 1) a matrix-style listing of each assignment, and 2) a document containing brief descriptions of each liaison assignment.

RECOMMENDATION:

N/A

Attachments

Council Liaison Descriptions

Council Liaisons 2015-2016 (Blank)

Description of Council Liaison Assignments
(Updated June 3, 2015)

Addison Airport/ATTAC/Cavanaugh Flight Museum

Non-Profit Grant \$50,000

Tracks and researches issues related to Addison Airport. Also keeps tabs on the Air Transportation Technical Advisory Committee. This is a committee based out of the North Central Texas Council of Governments which is charged with looking at regional and multi-jurisdictional aviation issues. Addison Airport Director Joel Jenkinson is currently chair of this committee. The Cavanaugh Flight Museum (located at 4572 Claire Chennault) is a non-profit educational organization devoted to promoting the study and cultural heritage of aviation.

Addison Arbor Foundation

Non-Profit Grant \$47,500

The Addison Arbor Foundation is a non-profit organization which promotes sustainable natural environments within Addison and enhances public spaces with plantings and public art.

Addison Business Association

Dues: \$200 Luncheons \$5,000

The ABA is a membership organization that includes active executives from retail, financial, manufacturing, construction professional, hospitality and the numerous other industries in the area. The ABA has represented the business community and its concerns in Addison since its creation in 1975.

Addison CARES

An ad-hoc committee charged with developing policy recommendations for the naming of municipal facilities, parks, and so forth.

Addison Legacy Foundation

A non-profit entity which was created in order to allow citizens to donate money towards specific ends, such as a dog park or the restoration of a historical fire truck.

Athletic Club Master Plan

To serve on the Master Plan Committee for the Addison Athletic Club with the goal to focus on creating a comfortable environment where fitness, wellness and recreation activities and programs are a priority that can be adapted to the existing building footprint.

Community Partners Bureau

An ad-hoc committee charged with engaging the various non-profit groups with which the Town contracts for social services or community enrichment.

Connectivity Project

This town project was funded by the 2012 Bond Election (Proposition 6). The Pedestrian Connectivity Project strives to create a walkable environment for those that work, live or play in Addison. These connections are encouraged through three unique projects: the Redding Trail Expansion (complete); the South Quorum Lighting project; and the Beltway Proton Improvements.

Cotton Belt

As part of joining DART in 1983, Addison was promised rail transit along the Cotton Belt Line. Throughout the years, the anticipated start date kept getting moved back primarily due to objections from far north Dallas, and most recently, DART's latest rounds of improvements that have landed them heavy in debt with the inability to pursue other projects. In partnership with the NCTCOG and other Cotton Belt cities, Addison has started the discussion to identify additional funding resources that could potentially be secured to complete the Cotton Belt prior to its current estimated completion date of 2030.

DART

DART is the mass transit authority for the greater Dallas area. Addison was a charter member of DART when it was created in 1983, and has since allocated a 1% sales tax for the provision of transit services. The Cotton Belt Railway, extending 52 miles from Wylie all the way to Fort Worth, crosses Addison just south of Addison Circle Park and parallels Arapaho Road to the City limits. This rail corridor is under the purview of DART and construction of a cross-town railway on those tracks is currently on their 2030 Transit Plan.

ED/Business Growth and Retention/ Retail Initiatives

Tracks various Economic Development initiatives and assists with outreach to both current and prospective businesses. Tracks issues related to redevelopment of Town real estate, businesses, and community assets. Also examines various opportunities to enhance retail offerings in Addison to both residents and businesses.

Education

Tracks education related initiatives and activities at the town's private and public schools. Private schools in Addison include Trinity Christian Academy and Greenhill School. Public schools include Dallas ISD's Bush Elementary, and Carrollton-Farmers Branch ISD's McLaughlin-Strickland and Janie Stark Elementary Schools.

Finance Committee

A special subcommittee of Council members tasked with review of Town financial policy.

Franchise Utilities (Atmos, Oncor, Time Warner)

Tracks issues related to certain Franchised Utilities, including Atmos Energy (natural gas), Oncor (electricity) and Time Warner.

Greater Dallas Regional Chamber

Dues: \$6,943

The Dallas Regional Chamber's goal is to ensure the prosperity of Dallas area businesses. They list as their goals 1) Leading Economic Development; 2) Driving Improvements in Public Education; 3) Influencing Public Policy; 4) Catalyzing and advocating for regional partnership; and 5) Providing value to their members. The organization publishes the Dallas Economic Development Guide, a thorough, comprehensive, and easy-to-read guide on the regional economy.

Intergovernmental Relations

Tracks and reports on issues, developments, and opportunities that are being addressed by two or more government jurisdictions. Included in this assignment is advising regarding shared service opportunities, such as the recent Joint Dispatch agreement.

Metrocrest Chamber of Commerce

Dues: \$3,630

A chamber of commerce focusing on the four Metrocrest Cities (Addison, Carrollton, Coppell, and Farmers Branch). The Metrocrest Chamber's offices are located in Suite 430 of the Town's Visit Addison building.

Metroplex Mayors

A gathering of D/FW mayors which takes place at 7:30 am on the second Tuesday of the month at the Marriott Quorum. Guest speakers are brought in from various sectors to discuss issues of relevance to local jurisdictions. The Town handles administrative and treasury functions for this program.

North Dallas Chamber

Dues: \$5,573

A chamber of commerce which focuses specifically on the North Dallas Area. The NDC fields several committees (Aviation, Education, Governmental Affairs, Power and Energy, and Transportation), each of which focuses on a specific area of attention.

North Texas Commission

Dues: \$1,200

A non-profit, membership-supported organization whose stated goal is to unify the North Texas region to maximize the visibility of the area as an excellent place to live and do business. The NTC was created in the 1970s as a means of leveraging the brand new D/FW Airport in promoting the North Texas as a business destination. Today, they have a particular focus on public-private partnerships and innovative approaches to regional problems.

Regional Transportation Council/NCTCOG

The Regional Transportation Council is an independent transportation policy body operated administratively by NCTCOG personnel. The Dallas Metropolitan Planning Organization (or MPO) is a federally mandated organization through which funding for transportation projects and programs are

channeled. It is comprised of 44 member representatives from local government and governmental transportation authorities.

The North Central Texas Council of Governments is a voluntary association of, by, and for local governments, established to assist them in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development.

Public Safety the Addison Way

A community initiative aimed at providing support for Addison's Public Safety departments. This includes technology, equipment, or other items that directly impact safety needs. Activities related to the purchase or granting of these items are communicated to and coordinated with Addison Police and Fire Department Officials.

Special Studies

These are ad-hoc committees comprised of council members, staff, residents, and local business people, charged with the development review of key areas of the town. The goal is to engage all stakeholders in a given area to promote and realize its potential. Ideally, the end result would be the area attaining an innovative, highest, and best use.

State and Federal Legislation

Tracks legislation affecting local governments at the state and federal level. This assignment is currently performed by Town Staff.

Sustainability / Recycling

Tracks and researches sustainability issues affecting Addison, the most notable of which is multifamily recycling.

Technology

Tracks and researches technology components affecting Addison, the most notable of which are the Town's website and App.

TEX-21

Dues: \$2,125

An organization committed to finding comprehensive solutions to transportation challenges. The organization's title is somewhat misleading: TEX-21 is an extended acronym for "Transportation Excellence for the 21st century." It does not just look at these issues from a Texas perspective. Rather, it has a national and even international focus, such as how increased shipping traffic through the Panama Canal leads to a greater volume of freight traveling along Texas rail corridors.

TML

A membership organization which serves the needs and advocates the interests of cities and elected officials. TML puts on an annual conference, usually in the fall, at which elected officials from around

the state attend educational seminars and networking events. TML also houses the Intergovernmental Risk Pool (IRP) which provides workers compensation, liability, and property coverage for local governments in Texas.

Vision North Texas

Vision North Texas is a public-private partnership headed by the Urban Land Institute, the North Central Texas Council of Governments, and the University of Texas at Arlington. Its mission is to increase public awareness about important regional land use issues that affect mobility, air quality, water supply, and other economic and environmental resources.

WaterTower Theatre

A non-profit professional theatre company, housed in a theater venue of the same name, directly adjacent to the Addison Conference Centre. Founded in 1996, it produces five main stage shows each season in a flexible, "black box" style performing arts space. The Town owns the facility itself, and has been a principal sponsor (with Hotel Fund dollars) of the company since its inception in 1996.

World Affairs Council

Annual Agreement: \$50,000

A non-profit, non-partisan organization aimed at promoting awareness of international business, politics, culture, and foreign policy. Addison currently engages with the World Affairs Council on our Spotlight Series, which is a year-long program comprised of several events geared towards a single country. Currently, the spotlighted country is Mexico, and China was featured last year.

Changes to List

Keep to Revisit in the Future

Zip Code Project (bring back in 2025)

Addison currently has two zip codes. For the majority of the Town, the code is 75001. However, there is a part of Town, which extends roughly from just west of the Tollway to the eastern and southeastern city limits, which has a Dallas zipcode (75254). This is a recent initiative to consolidate all Addison addresses to 75001 for general consistency, as well as to curb any potential misallocations of sales and property tax revenue.

Remove from List

Aviation Issues

Tracks broader aviation issues on a regional, state, and federal level. Potentially includes issues related to Love Field, D/FW Airport, and the Federal Aviation Administration.

Belt Line Infrastructure

Tracks infrastructure improvements along Belt Line Road, including utility undergrounding, bus stops, and the reconstruction/repair of the road itself.

Employee Benefits (employees only as of June 2015)

Tracks issues related to health care benefits enjoyed by Town employees. Also tracks issues related to the Texas Municipal Retirement System. TMRS is the designated retirement program for Town employees. Established in 1947, it is a hybrid “cash-balance defined benefit” retirement plan, rather than the traditional defined benefit plan, which is participated in by more than 850 Texas cities.

Merged

NCTCOG merged with RCT

Redevelopment & Repositioning/Retail Initiatives merged with ED Business Growth

Added

Cotton Belt

Fiscal Year 2015 - 2016

City Council Liaisons

Council Activities	Council Member(s)
Addison Airport/ATTAC/Cavanaugh	
Addison Arbor Foundation	
Addison Business Association	
Addison CARES	
Addison Legacy Foundation	
Athletic Club Master Plan	
Community Partners Bureau	
Connectivity Project	
Cotton Belt	
DART	
ED/Business Growth & Retention/Retail Initiatives	
Education	
Finance Committee	
Franchise Utilities (Atmos, Oncor, Time Warner)	
Greater Dallas Regional Chamber	
Intergovernmental Relations	
Metrocrest Chamber of Commerce	
Metroplex Mayors	
North Dallas Chamber	
North Texas Commission	
RTC / NCTCOG	
Redevelopment & Repositioning/Retail Initiatives	
Special Studies	
State and Federal Legislation	
Sustainability/Recycling	
Technology	
TEX-21	
TML	
Vision North Texas	
WaterTower Theatre	
World Affairs Council	

** Fred Hill will also advise this assignment

AI-1166

1.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: City Manager

Council Goals: N/A

AGENDA CAPTION:

Minutes for the May 26, 2015 City Council Meeting and Work Session.

BACKGROUND:

N/A

RECOMMENDATION:

Administration recommends approval.

Attachments

Minutes

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL WORK SESSION

May 26, 2015

Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254

6:00 PM Work Session | 7:30 PM Regular Meeting

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL REGULAR MEETING

May 26, 2015

Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254

6:00 PM Work Session | 7:30 PM Regular Agenda

Posted by: Chelsea Gonzalez, May 22, 2015, 5:00pm

Present: Arfsten; Carpenter; Heape; Hughes; Mayor Meier; Moore; Wilcox

WORK SESSION

-
- WS1 Presentation and discussion of special assignments of members of the Council regarding various non-profit entities, Town facilities and projects, and local, regional and Statewide organizations to which the Council members serve as liaisons.
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REGULAR MEETING

Pledge of Allegiance

Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

Consent Agenda.

- R2a Approval of the Minutes for the May 12, 2015 City Council Meeting and Work Session and the May 18, 2015 City Council Special Meeting.

RECOMMENDATION:

Administration recommends approval.

Motion made by Arfsten to approve, as submitted,
Seconded by Carpenter

Voting AYE: Arfsten, Carpenter, Heape, Hughes, Mayor Meier,
Moore, Wilcox

Passed

-
- R2b Approval of an annual service agreement with Illuminations by Greenlee for outdoor lighting maintenance at park, trail and municipal building sites.

RECOMMENDATION:

Administration recommends approval.

Motion made by Arfsten to approve, as submitted,
Seconded by Carpenter

Voting AYE: Arfsten, Carpenter, Heape, Hughes, Mayor Meier,
Moore, Wilcox

Passed

-
- R2c Approval of a resolution authorizing the Town to designate representatives who can transact business with the TexPool local government investment pool.

RECOMMENDATION:

Administration recommends approval.

Motion made by Arfsten to approve, as submitted,
Seconded by Carpenter

Voting AYE: Arfsten, Carpenter, Heape, Hughes, Mayor Meier,
Moore, Wilcox

Passed

-
- R2d Approval of a resolution approving a negotiated settlement between ACSC and Atmos Energy Corp., regarding the company's 2014 and 2015 rate review mechanism (RRM) filings.

RECOMMENDATION:

Administration recommends approval.

Motion made by Arfsten to approve, as submitted,

Seconded by Carpenter

Voting AYE: Arfsten, Carpenter, Heape, Hughes, Mayor Meier,
Moore, Wilcox

Passed

-
- R2e Approval of a resolution that authorizes the Town of Addison to be or remain a member of a 168-member city coalition known as the Atmos Cities Steering Committee (ACSC).

RECOMMENDATION:

Administration recommends approval.

Motion made by Arfsten to approve, as submitted,

Seconded by Carpenter

Voting AYE: Arfsten, Carpenter, Heape, Hughes, Mayor Meier,
Moore, Wilcox

Passed

-
- R2f Approval of a resolution authorizing continued participation with, and funding for, the Steering Committee of Cities Served by Oncor.

RECOMMENDATION:

Administration recommends approval.

Motion made by Arfsten to approve, as submitted,

Seconded by Carpenter

Voting AYE: Arfsten, Carpenter, Heape, Hughes, Mayor Meier,
Moore, Wilcox

Passed

- R2g Approval of and authorizing the city manager to enter into the renewal of a Non-public Fuel Farm License agreement Eagle Land and Cattle (EL&C), dba American Flyers, at Addison Airport.

RECOMMENDATION:

Administration recommends approval.

Council Member Moore pulled item R2g from the consent agenda.

Lisa Pyles, Director of Infrastructure and Development Services, and Bill Dyer, Airport Real Estate Manager, spoke regarding this item.

Motion made by Moore to approve, as submitted,
Seconded by Heape

Voting AYE: Arfsten, Carpenter, Heape, Hughes, Mayor Meier,
Moore, Wilcox

Passed

-
- R2h Approval of and authorizing the city manager to enter into the first amendment to the conventional hangar lease agreement with U.S. Aircraft for a conventional city-owned hangar at Addison Airport.

RECOMMENDATION:

Administration recommends approval.

Council Member Moore pulled item R2h from the consent agenda.

Lisa Pyles, Director of Infrastructure and Development Services, and Bill Dyer, Airport Real Estate Manager, spoke regarding this item.

The item was tabled to the June 9, 2015 agenda.

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- R2i Approval of a resolution approving an agreement with Shiroma Southwest for professional services to provide website content, website training to staff and social media content for Addison's social media sources.

RECOMMENDATION:

Administration recommends approval.

Motion made by Arfsten to approve, as submitted,

Seconded by Carpenter

Voting AYE: Arfsten, Carpenter, Heape, Hughes, Mayor Meier,
Moore, Wilcox

Passed

-
- R2j Approval of a resolution adopting the Naming and Recognition Policy for structures, parks and trails.

RECOMMENDATION:

Administration recommends approval.

Council Member Moore pulled item R2j from the consent agenda.

Rob Bourestom, Special Projects Manager, spoke regarding this item.

The item was tabled to the June 9, 2015 agenda.

Regular Items

-
- R3 **PUBLIC HEARING.** Public hearing regarding the process and criteria for selecting a person to serve as the new City Manager.

A public hearing was opened and an opportunity to speak offered to the public.

The following individuals spoke at the public hearing.

Aubrey Simmons- 4102 Rush Circle

Betty Price- 4114 Leadville Place

John Price- 4114 Leadville Place

Robert Jacoby- 4016 Rive Lane

The public hearing was closed.

There was no action taken on this item.

-
- R4 Presentation and discussion regarding an update on the search for the new city manager.

The City Manager Search Committee gave an update on the search for a new city manager.

- R5 Presentation and discussion regarding the Quarterly Update for the Capital Improvement Program and other Town projects.

Lisa Pyles, Director of Infrastructure and Development Services, and Slade Strickland, Director of Parks and Recreation, spoke regarding this item.

There was no action taken on this item.

-
- R6 Discussion regarding the city secretary's position.

Cheryl Delaney, Deputy City Manager, Brenda McDonald, City Attorney, and Charles Daniels, City Manager, spoke regarding this item.

There was no action taken on this item.

-
- R7 Discuss, consider and take action electing the Mayor Pro Tempore and Deputy Mayor Pro Tempore.

Motion made by Mayor Meier to nominate Janelle Moore as Mayor Pro Tempore and David Heape as Deputy Mayor Pro Tempore,
Seconded by Carpenter

Voting AYE: Arfsten, Carpenter, Heape, Hughes, Mayor Meier,
Moore, Wilcox

Passed

-
- R8 Discuss, consider and take action regarding an appointment to the Board of Zoning Adjustment.

The City Council convened into executive session in accordance with Section 551.074 of the Texas Government Code to discuss personnel or to hear complaints against personnel.

Motion made by Mayor Meier to move items R8 and R9 into Executive Session,
Seconded by Moore

Voting AYE: Carpenter, Heape, Hughes, Mayor Meier, Moore,
Wilcox

NAY: Arfsten

Passed

The City Council entered executive session at 9:20 pm.
The City Council closed executive session at 10:30 pm.

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- R9 Discuss, consider and take action regarding appointment of a Member to the Planning and Zoning Commission.

The City Council convened into closed session in accordance with Section 551.074 of the Texas Government Code to discuss personnel or to hear complaints against personnel.

Motion made by Mayor Meier to move items R8 and R9 into Executive Session,
Seconded by Moore

Voting AYE: Carpenter, Heape, Hughes, Mayor Meier, Moore,
Wilcox

NAY: Arfsten

Passed

The City Council entered executive session at 9:20 pm.
The City Council closed executive session at 10:30 pm.

-
- R10 Discuss, consider and take action regarding additional Addison Funding contributions to the Cotton Belt commuter rail project.

Motion made by Mayor Meier to approve a five million dollar number to be included in the formula with the NCTCOG and Michael Morris, used on Addison's behalf, contingent upon that payment not being due until the Cotton Belt is finished,
Seconded by Moore

Voting AYE: Arfsten, Carpenter, Heape, Hughes, Mayor Meier,
Moore, Wilcox

Passed

Executive Session

-
- ES1 Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to seek the advice of its attorney(s) regarding pending litigation: Town of Addison, Texas v. ProAir Developments, L.P., Cause No. DC-13-15164, 14th Judicial District, Dallas County, Texas and anticipated litigation, Hunse v.

Town of Addison, et. al, and anticipated litigation regarding use of newsletter email distribution list.

The City Council entered executive session at 10:56 pm.

The City Council closed executive session at 12:45 am.

Reconvene from Executive Session

- R11 **RECONVENE INTO REGULAR SESSION:** In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

There was no action taken on the executive session items.

Adjourn Meeting

NOTE: The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including §551.071 (private consultation with the attorney for the City); §551.072 (purchase, exchange, lease or value of real property); §551.074 (personnel or to hear complaints against personnel); §551.076 (deployment, or specific occasions for implementation of security personnel or devices); and §551.087 (economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

Mayor-Todd Meier

Attest:

City Secretary-Chelsea Gonzalez

AI-1156

2.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Infrastructure- Development Services

Council Goals: N/A

AGENDA CAPTION:

First Amendment to Conventional Hangar Lease with ADS U.S. Sport Aircraft, LLC, in connection with a city-owned hangar located at 4700 Airport Parkway on Addison Airport.

BACKGROUND:

ADS U.S. Sport Aircraft leases a conventional hangar at 4700 Airport Parkway on a lease that will expire on January 31, 2017. They also lease two patio hangars on a month-to-month basis. The hangars are located adjacent to Taxiway Romeo.

The proposed amendment reduces the tenant's contract rent for the conventional hangar by \$260 each month for the remaining term in exchange for Sport Aircraft's leasing an additional four patio hangars also located adjacent to Taxiway Romeo for a total of six patio hangars. The six patio hangars will be leased on a month-to-month basis for \$260 each, which is the current market rate. This arrangement will continue over the remainder of the conventional lease term as long as Sport Aircraft continues to lease the six patio hangars at the posted market rate pursuant to the terms and conditions of the Town's standard aircraft storage rental agreement. If, at any time during the commercial hangar lease term, Sport Aircraft seeks to terminate their use and occupancy of one or more of the patio hangars, the commercial hangar rent will automatically revert to its full contract rate. Any patio hangars that Sport Aircraft continues to lease at that time will be leased on a month-to-month basis at the market rate.

The current monthly lease rate for the conventional hangar is \$2,945. This amount will be reduced to \$2,685, for a total annual rent of \$32,220. The six patio hangars will be leased for \$260 each for a total annual rental fee of \$18,720. The total income to the airport for the Sport Aircraft leased property will be \$50,940. This represents an increase of \$9,360 over the current arrangement. The effective date of the amendment will be retroactive to March 1, 2015.

RECOMMENDATION:

Administration recommends approval.

Attachments

Memo



William M. Dyer
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- M E M O R A N D U M -

To: Lisa Pyles
From: Bill Dyer
CC: Joel Jenkinson
Date: May 27, 2015
Re: ADS US Sport Aircraft, LLC - Proposed First Amendment to Conventional Hangar Lease

Attached is the proposed First Amendment to Conventional Hangar Lease between ADS US Sport Aircraft, LLC and the Town of Addison for the Town Council's consideration and consent during their upcoming regular meeting on June 9th.



ADS US Sport Aircraft, LLC currently leases the city-owned commercial hangar located at 4700 Airport Parkway with the primary term of the lease due to expire January 31, 2017. Additionally, ADS US Sport Aircraft leases two (2) city-owned patio hangars at the full market rate of \$260 per month for each unit. The total annualized

rental currently obligated by ADS US Sport Aircraft, LLC is \$41,580.

The proposed amendment reduces the tenant's commercial hangar rental by \$260 each month over the remaining term of the lease provided ADS US Sport Aircraft also leases four (4) additional patio hangar at the adjacent city-owned R1 patio hangar facility at

their full market rate of \$260 per month for each unit (or a total of 6 patio units in all) pursuant to the terms and conditions of the Town's standard Aircraft Storage Rental Agreement. These patio hangars are to be used in connection with ADS US Sport Aircraft's commercial operations. Should at any time during the commercial lease term the tenant terminate their use and occupancy of one or more of the patio hangars, the commercial hangar rent shall automatically revert to its full contract rate.

ADS US Sport Aircraft, LLC sells and leases light-sport aircraft and conducts flight training. They have been based at Addison Airport in their current location since 2011 and has remained in good standing with the airport.

The economic benefit of this amendment together with the leasing of the four (4) additional patio hangars is an increase in the airport's annual rental income of \$9,360.00.

The proposed amendment is to be retroactive and made effective as of March 1, 2015. The city attorney has reviewed and approved the attached amendment to form for the Town's purposes.

TOWN OF ADDISON, TEXAS
ADDISON AIRPORT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

FIRST AMENDMENT TO CONVENTIONAL HANGAR LEASE

This First Amendment to Conventional Hangar Lease (hereinafter referred to as the “Amendment”) is made and entered into by and between Landlord and Tenant. Landlord and the Tenant are as follows:

Landlord: Town of Addison, Texas, a home-ruled municipality
c/o Airport Manager
16051 Addison Road, Suite 220
Addison, Texas 75001
Attn: Real Estate Manager

and

Tenant: ADS US Sport Aircraft, LLC
4700 Airport Parkway
Addison, Texas 75001
Attn: Patrick Arnzen, Manager

WITNESSETH:

Whereas, Landlord and Tenant entered into that Conventional Hangar Lease dated February 1, 2015, (the “Hangar Lease”) for the period set forth in the Hangar Lease (the “Original Term”), under which Landlord leases to Tenant and the Tenant leases from Landlord the following Leased Premises (“the Property”) situated at Addison Airport within the Town of Addison, Texas:

Property-Building: 013B-81

Physical Address: 4700 Airport Parkway – Addison, TX 75001

Whereas, Landlord and Tenant desire to amend the Hangar Lease subject to the terms and conditions set forth herein.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, in consideration of the terms, covenants and conditions set forth in the Hangar Lease and in this Amendment, the sum of Ten Dollars and No/100 (\$10.00), and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Recitals.** All of the above and foregoing recitals and premises are incorporated herein and made a part of this Amendment for all purposes.
2. **Amendment.** Landlord and Tenant do hereby agree to amend and modify the Hangar Lease pursuant to the following terms and conditions:

Paragraph 3 – Rent: Provided Tenant continues to lease and occupy four (4) patio hangars (commonly known as Units #R-10 #R-12, #R-14 #R-16 pursuant to its respective Aircraft Storage Rental Agreements (the “Patio Hangars”) during the Term of this Hangar Lease without interruption, Tenant’s annual rent under this Hangar Lease shall be decreased by \$3,120 per year to now reflect Thirty-Two Thousand Two Hundred Twenty Dollars and 00/100 (\$32,220.00) payable in twelve equal monthly installments of Two Thousand Six-Hundred Eighty-Five Dollars and 00/100 (\$2,685.00). This Modified Rent shall first become due and payable the first day of the calendar month immediately following the Effective Date of this First Amendment to Conventional Hangar Lease and shall continue each month thereafter subject to any further adjustments provided for in Paragraph 4 – Adjustment of Rental of the Lease.

Should Tenant cease leasing any of the Patio Hangars (by providing Landlord with its 30-day written notice to vacate pursuant to the terms of the Aircraft Storage Rental Agreements), or if any of the patio hangar leases are early terminated for any reason during the term of this Hangar Lease, Rent for this Hangar Lease shall revert to what it was immediately prior to this Amendment, notwithstanding any adjustments having been made pursuant to the Hangar Lease.

3. **No Other Amendments.** Except to the extent modified or amended herein, all other terms, conditions, provisions and obligations of the Hangar Lease shall remain unchanged and in full force and effect for and during the Term of the Hangar Lease.

4. **Authority to Execute.** The undersigned individual, officer and/or agent of the parties hereto are authorized and have the necessary authority to execute this Amendment on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

Effective Date. This Amendment is entered into effective as of March 1, 2015.

IN WITNESS WHEREOF, the undersigned parties execute this First Amendment to Conventional Hangar Lease as of the _____ day of _____, 2015.

TENANT:

ADS US Sport Aircraft LLC
A Texas limited liability company

LANDLORD:

Town of Addison, Texas
a home-ruled municipality

By: _____
Patrick Arnzen, Manager

By: _____
Lea Dunn, City Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

**ADDISON AIRPORT
CONVENTIONAL HANGAR LEASE**

This Hangar Lease (hereinafter referred to as the "Hangar Lease" or "Agreement") is made and entered into this 1st day of February, 2015 (the "Effective Date"), by and between the Town of Addison, Texas, a home-ruled municipality (hereinafter referred to as the "City" or "Landlord") and ADS US Sport Aircraft LLC, a Texas limited liability company, ("Tenant").

WITNESSETH:

WHEREAS, Landlord is the owner of the Addison Airport (hereinafter referred to as the "Airport") located in Dallas County, Texas; and

WHEREAS, the Airport is operated and managed for and on behalf of the City by URS Energy & Construction, Inc., an Ohio Corporation ("URS") and SAMI Management, Inc., a Texas corporation (severally and/or collectively hereinafter referred to as "Airport Manager" or "Manager"), pursuant to their respective operating agreements, as amended or modified, with the City; and

WHEREAS, Tenant desires to lease that certain hangar located within the Airport known as Building #013B with the public address known as 4700 Airport Parkway, Addison, Texas 75001 (hereinafter referred to as "the Premises" and as more fully described in Exhibits "A", "B" and "C" attached hereto and made a part hereof) and Landlord desires to lease the same to Tenant for the Term as defined below; and

WHEREAS, Landlord and Tenant hereby agree to enter into this Hangar Lease under the terms and conditions set forth hereinbelow.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, Landlord and Tenant hereby agree as follows:

1. **Demise.** Landlord, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Tenant and subject to the use of the Premises as described herein, by these presents does hereby lease unto Tenant, and Tenant, for and in consideration of the covenants and agreements herein reserved on the part of the Landlord to be kept and performed, does hereby lease and accept from Landlord, the Premises, subject to all matters of record in any way appertaining to the Premises.

2. **Term:** The term hereof shall commence the earlier of the date upon which Tenant is issued its Certificate of Occupancy by the Town of Addison or February 1, 2015 (the "Commencement Date"). The term shall end on January 31, 2017 (the "Expiration Date"), unless otherwise terminated as provided for herein.

3. Rental:

A. Tenant agrees to pay to Landlord, without offset or deduction, an annual Base Rent of **Thirty-three Thousand Six Hundred Dollars and No/100 (\$35,340.00)** payable in twelve (12) equal monthly installments in the amount of **Two Thousand Nine Hundred Forty- Five Dollars and No/100 (\$2,945.00)**. The first such monthly installment shall be due and payable on or before the Commencement Date and then on or before the first day of each calendar month thereafter during the Term. The Base Rent is subject to periodic adjustments as provided herein.

B. **Prorated Rent:** If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord as prorated rent, an amount equal to the Base Rent multiplied by the following fraction: the number of days from the Commencement Date to the first day of the following month divided by the number of days in the month in which this Lease commences. The prorated rent is due on or before the Commencement Date.

D. **Additional Rent:** In addition to the Base Rent and Prorated Rent, Tenant will pay Landlord all other amounts, as provided by the attached Utility Expense Reimbursement Addendum (Exhibit D). All amounts payable under the Addendum are deemed to be "rent" for the purpose of this Lease.

E. **Place of Payment:** Tenant will remit all amounts due Landlord under this Lease, checks made payable to "Addison Airport" to the following person at the place stated or to such other person or place as Landlord may later designate in writing:

Addison Airport
c/o Airport Manager
16051 Addison Road, Suite 220
Addison, Texas 75001

F. **Method of Payment:** Tenant must pay all rent timely without demand, deduction, or offset, except as permitted by law or this Lease. Tenant shall make payment of all rental owed by personal or corporate check, credit card or electronic transfer if acceptable to Landlord. Cash is not an acceptable form of payment of rent. If Tenant fails to timely pay any amounts due under this Lease, or if any check of Tenant is returned to Landlord by the institution on which it was drawn for insufficient funds, or if its credit card is denied more than three times in any twelve month period, Landlord, after providing written notice to Tenant, may require Tenant to pay subsequent amounts that become due under this Lease by cashier's check or money order only.

G. **Late Charges:** If Landlord does not actually receive a rent payment at the designated place of payment within ten (10) days after the date it is due, Tenant will pay Landlord a late charge equal to 5% of the amount due. In this paragraph, the mailbox is not the agent for receipt by Landlord. The Late Charge is a cost associated with the collection of rent and Landlord's acceptance of a late charge does not waive Landlord's right to exercise remedies under Paragraph 24 (Remedies of Landlord) herein.

If payment of a monthly installment of rental due under this Lease is made late (after the 10th day of the month) more than once in any three (3) month period, Tenant, upon the delivery of written notice to Tenant by Landlord ("Additional Deposit Notice"), of and among all other rights and remedies available to Landlord under this Agreement, shall be required to pay to Landlord an

Conventional Hangar Lease – Page 2

amount equal to the then-current monthly rental installment (the "Additional Deposit") to be held and applied by Landlord as an addition to the Security Deposit delivered by Tenant and held on account by Landlord upon Tenant's execution of this Lease pursuant to subparagraph 3.H., below. If Tenant does not deliver the Additional Deposit to Landlord within ten (10) days after the delivery of the Additional Deposit Notice, such failure shall be an event of default under this Lease.

H. **Security Deposit:** Tenant and Landlord acknowledge that Landlord is holding the sum of **Two Thousand Eight Hundred Dollars and No/100 (\$2,800.00)** on behalf of Tenant which said amount is being held on account as Tenant's "Security Deposit." Upon execution of this Agreement, Tenant agrees to pay to Landlord **One Hundred Forty-Four Dollars and 78/100 (\$144.78)** to bring the Security Deposit held on account to equal one month's rent. Going forward, such Security Deposit shall be equal to one monthly installment of the rent unless otherwise adjusted as provided for in 3.G above.

1. If at any time during this Agreement the Security Deposit then held on account by Landlord becomes less than the prevailing monthly installment of Base Rent, Tenant will make an additional payment to Landlord so that the Security Deposit held by Landlord is increased to equal one monthly installment of Base Rent, unless otherwise adjusted as provided for in 3.G. above.

2. Landlord shall hold such Security Deposit without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease.

3. The Security Deposit is not an advance payment of rent or a measure of liquidated damages in case of default by Tenant. Upon the occurrence of any event of default, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by law, use the Security Deposit to the extent necessary to make good any arrearages of rent and any other damage, injury, expense or liability caused to Landlord by such event of default. Following any such application of the Security Deposit, Tenant shall pay to Landlord, on demand, the amount so applied in order to fully restore the Security Deposit to its required amount.

4. If Tenant is not then in default hereunder, such Security Deposit, less any lawful deductions by Landlord, shall be returned by Landlord to Tenant with an accounting of said deductions taken no later than thirty (30) days following the termination or expiration of this Hangar Lease. Permitted deductions from said Security Deposit may include but not be limited to: unpaid rent; unpaid utilities incurred by Tenant; unpaid service charges; damages by Tenant to the Premises (beyond normal wear) or repairs by Landlord; replacement cost of Landlord's property that was in or attached to the Premises and is missing; unreturned keys; agreed reletting charges; cost of cleaning the Premises to a broom-swept condition if required; removal of any trash or debris left in the Premises; cost of the removal and storage of Tenant's personal property left or abandoned by Tenant or otherwise disposed of by Landlord; removal of unauthorized vehicles or aircraft left on the Premises; government fees or fines against Landlord because of Tenant; late fees and other costs of collection, interest earned on unpaid balances; attorneys' fees, court costs and filing fees.

4. Adjustment of Rental: Effective on each anniversary after the Commencement Date (hereinafter referred to as the "Adjustment Date"), the Base Rental due under Paragraph 3 shall be adjusted as follows:

1. A comparison shall be made between the Consumers' Price Index-All Items for the Dallas, Texas Metropolitan Area (hereinafter referred to as the "Price Index") as it existed on the Commencement Date (the "Base Consumer Price Index") and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date (the "Adjustment Index").

2. The Base Rent for the two (2) year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case may be, by the percentage of increase or decrease in the Price Index between the Base Consumer Price Index and the then applicable Adjustment Index, but in no event shall Base Rental ever be decreased below the Base Rental set forth in Paragraph 3.

(iii) In the event that the Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index approximating the Price Index as closely as feasible shall be substituted therefor.

5. Use of Premises: The Premises shall be used and occupied by Tenant only for Commercial Aviation Use as more fully described as follows:

Aircraft Sales, Aircraft Assembly, Flight Training, Aircraft Maintenance, Aircraft Storage and Aircraft Demonstration.

For the purpose herein, Commercial Aviation Use is defined as any operation of a business enterprise whereby its core competency is dedicated to the general aviation industry and any such business practice is providing goods, services, or facilities for a commercial aeronautical purpose (including, without limitation, any activity by the Tenant securing earning, income, compensation, [including exchange or barter of goods, and services], and/or profit from said activities, whether or not such objectives are accomplished).

Any use of the Premises other than that indicated above is not permitted at any time without the prior written consent of Landlord. The Premises shall not be used or occupied for any concession for the sale or distribution of food, drinks, tobacco products, oil, gas, petroleum products or any activity of a similar character. Tenant agrees that no aircraft, vehicle or other equipment will be left unattended at any time outside the boundaries of the Premises or within any common area of the Airport, including the safety area, operating area and/or non-obstruction area of the Airport without the prior written consent of the Airport Manager. Tenant further agrees to cooperate and coordinate with adjacent tenants and Airport Management, when necessary, to facilitate aircraft movement along nearby taxilanes especially during periods of construction, maintenance and repair of Airport facilities.

6. Acceptance of Premises: Tenant acknowledges that Tenant has fully inspected the Premises and accepts the Premises as suitable for the purposes for which the same are leased in their present condition, "AS IS, WHERE IS, WITH ALL FAULTS AND PATENT AND LATENT DEFECTS". Without limiting anything in the foregoing, **THERE IS NO REPRESENTATION, PROMISE, COVENANT, AGREEMENT, GUARANTY OR WARRANTY OF ANY KIND**

OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, OF THE CONDITION, QUALITY, SUITABILITY, MERCHANTABILITY, HABITABILITY, OR FITNESS OF THE PREMISES FOR ANY PARTICULAR PURPOSE WHATSOEVER GIVEN IN CONNECTION WITH THIS LEASE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, OR ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES.

7. Securing Governmental Approvals and Compliance with Law; Noise Abatement:

A. Tenant, at Tenant's sole cost and expense, shall obtain any and all governmental licenses, permits and approvals currently required for the use and occupancy of the Premises, as set forth in Paragraph 5 above.

B. Tenant shall, at Tenant's sole cost and expense, comply at all times with all governmental laws, codes, ordinances, rules, policies, and regulations applicable to the use and occupancy of the Premises, as set forth in Paragraph 5 above, as existing or as the same may be reasonably amended or modified.

C. Tenant shall, at Tenant's sole cost and expense, promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances caused by Tenant and arising out of the use and occupancy of the Premises, as set forth in Paragraph 5 above.

D. Tenant shall comply with noise abatement standards at the Airport and shall notify any aircraft operator using the Premises of such standards.

8. Assignment and Subletting:

A. Without the prior written consent of Landlord, Tenant shall have no power to and may not assign, sell, pledge, encumber, license, transfer, or otherwise convey (together, "assign" or "assignment") this Lease or any rights or obligation of Tenant hereunder or sublet the whole or any part of the Premises. Any such assignment or any subletting shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) an event of default under Paragraph 23 (Default by Tenant) of this Lease. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any Landlord-approved transfer or subletting, Tenant shall not transfer Tenant's rights hereunder or sublet the Premises without first obtaining a written agreement from each such transferee or sublessee whereby each such transferee or sublessee agrees to be bound by the terms and provisions of this Hangar Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Premises are transferred or sublet, Landlord, in addition to any other remedies provided herein or by law, may, at Landlord's option, collect directly from such transferee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such transferee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder. Landlord's consent to any transfer or

subletting will not waive its rights, and it will not stop Landlord from exercising its rights, with respect to any other actual or proposed transfer or subletting, and Landlord's consent to any transfer will not relieve Tenant or any Guarantor of any liability to Landlord under this Lease or otherwise.

B. Notwithstanding the foregoing, if the Use of Premises defined in Paragraph 5 above is a Commercial Aviation Use, Landlord hereby acknowledges and consents to Tenant's subletting of the Premises for the purpose of renting hangar space for aircraft storage only, provided that each sublease is 1) is made available for Landlord's review and inspection upon written request, 2) said subleases are evidenced by written agreement, signed and executed by Tenant and Subtenant and has incorporated therein and fairly states:

1. each Subtenant agrees to be bound by the terms and provisions of the Hangar Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any conflict between the terms of the Hangar Lease and the terms of the sublease, the terms of the Hangar Lease shall control;
2. no such subletting shall constitute a novation.
3. in the event of occurrence of an event of default while the Premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, may, at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder.
4. Subtenant shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under the Hangar Lease;
5. any such sublease is to automatically terminate upon termination of the Hangar Lease notwithstanding any other provision of the sublease to the contrary;
6. Landlord shall have no responsibility or obligation for the performance by subtenant of its obligations under the sublease;
7. Neither this consent, the exercise by Landlord of its rights hereunder, nor the sublease or any other instrument shall give Subtenant any rights directly or indirectly against Landlord or create or impose any obligation, duty, responsibility, or liability of Landlord in favor of or for the benefit of subtenant.

Further, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under the Hangar Lease; that this consent does not constitute approval by Landlord of the terms of any such sublease; nothing herein contained shall be deemed a waiver or release of any of the Landlord's rights under the Hangar Lease; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under the Hangar Lease including, without limitation, the duty to make any and all payments of rent. Any violation of any terms and conditions of the Hangar Lease by a subtenant may constitute a default under the Hangar Lease. Tenant shall provide to Landlord the names and addresses of any subtenants and the make, model, aircraft type and "N" number of any aircraft stored or located on or in the Premises.

9. Property Taxes and Assessments: Tenant shall pay any and all property taxes or assessments levied or assessed on: (i) all improvements, fixtures, equipment or personal property comprising a part of or located upon the Premises; and (ii), the leasehold estate of Tenant created

hereby (hereinafter referred to as "Tenant's Taxes"). Upon the request of Landlord, Tenant shall, from time to time, furnish to Landlord "paid receipts" or other written evidence that all of Tenant's Taxes have been paid by Tenant. If any of Tenant's Taxes are included in tax statements delivered to Landlord, Tenant shall pay to Landlord that portion representing Tenant's Taxes within ten (10) days after Tenant's receipt of an invoice therefor from Landlord accompanied by evidence of Landlord's computation of the portion thereof representing Tenant's Taxes.

10. Maintenance and Repair of Premises:

A. Landlord shall, throughout the term hereof, except as otherwise expressly provided in this Lease and so long as Tenant is not in default of this Agreement beyond any applicable Cure Period, be responsible for all that is listed as Landlord's Responsibility in Exhibit E to this Agreement and incorporated herein by reference. Landlord shall, at Landlord's sole cost and expense, keep the Premises and all common facilities in compliance with all governmental laws, codes, ordinances, rules and regulations applicable hereto, except as otherwise provided in Paragraph 7 hereof. Landlord shall not be responsible for Tenant's or any third party's equipment and personal property comprising a part of or located upon the Premises.

B. Except as provided by subparagraph A. of this Paragraph 10, Tenant shall maintain the Premises in good order, condition and repair throughout the term of this Lease including, but not limited to, the "Tenant's Maintenance and Repair Responsibilities" itemized in Exhibit E to this Agreement and incorporated herein by reference. Tenant shall be responsible for any alterations, additions or improvements made by Tenant to the Premises and/or any improvements thereon. Tenant shall, throughout the term hereof, be responsible for all consumable supplies and repair of plumbing and water damage caused as a result of Tenant's failure to reasonably protect water pipes from freezing temperatures or misuse by Tenant, Tenant's employees, guests or invitees. Tenant shall be responsible for keeping the Premises free from waste and nuisance and shall, upon the expiration of the Lease Term, or any earlier termination of this Lease or repossession of the Premises by Landlord because of Tenant's default under this Lease, deliver the Premises clean and free of trash and in good condition, with all fixtures and equipment situated in or upon the Premises in the same condition as same existed on the Commencement Date, with reasonable wear and tear excepted.

C. In the event Tenant fails to so maintain the Premises and/or the improvements, fixtures, equipment and personal property comprising a part of or located upon the Premises, Landlord shall have the right (but not the obligation) to cause all repairs or other maintenance to be made, and the reasonable costs therefor expended by Landlord plus interest thereon as provided in Paragraph 39 shall be paid by Tenant to Landlord on demand.

D. If Tenant handles or stores flammable materials on the Premises, Tenant agrees to maintain proper safeguards with respect thereto and to comply with all requirements of Landlord's and Tenant's insurance companies and/or governmental authorities with respect to the storage, use and disposal of such materials.

11. Alterations, Additions and Improvements: Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the Premises without the prior written consent of Landlord. Landlord shall not unreasonably withhold its consent for non-structural alterations, additions or improvements. Tenant shall have the right to erect or

install shelves, bins, machinery, and trade fixtures, provided that Tenant complies with all applicable governmental laws, ordinances and regulations. All alterations, additions and improvements in and to the Premises shall be performed in accordance with law and in a first-class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection therewith.

12. Insurance:

A. If the use of the Premises defined in Paragraph 5 herein is for Commercial Aviation Use, Tenant shall procure and maintain throughout the Term, without interruption, a policy or policies of insurance, at Tenant's sole cost and expense, to meet or exceed the requirements specified in the then prevailing Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers (the "Airport Minimum Standards") which may be amended or modified by the City from time to time. At any time over the Term the Airport Minimum Standards are either suspended, repealed or otherwise modified to the extent Tenant's use and occupancy of the Premises no longer require such insurance policies under the Airport Minimum Standards, Tenant shall procure and maintain throughout the Term, without interruption, the following insurance policies:

1. Commercial General Liability insurance against claims for bodily injury, death or property damage or destruction occurring on, in or about the Premises, with limits of liability of not less than \$1,000,000 for each occurrence, CSL/\$1,000,000 general aggregate. Coverage shall include blanket contractual liability for liability assumed under the Lease.

2. Statutory limits of Workers Compensation insurance and employer's liability with limits of liability of not less than \$1,000,000.

3. Hangarkeepers Legal Liability insurance at limits of \$1,000,000 per occurrence is required if Tenant is engaged in maintenance, repair or servicing of aircraft belonging to any third-party, or if Tenant is otherwise involved in any operation in which Tenant has care, custody or control of an aircraft that belongs to a third-party..

4. Aircraft Liability insurance for all Tenant-owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 and \$1,000,000 for personal and advertising injury.

B. If the use of Premises is strictly for Non-commercial Aviation Use, then Tenant shall provide over the Term without interruption the following policies of insurance: Aircraft Liability Insurance or another acceptable form of comprehensive Personal Liability Insurance with limits of liability not less than \$1,000,000 each occurrence, Combined Single Limit (CSL) bodily injury and property damage of \$1,000,000 in general aggregate.

C. All insurance policies required under this Paragraph 12 shall be endorsed to provide the following, as applicable: (i) in all liability policies, name as additional insureds the Landlord and Manager and their officials, officers, agents, and employees; (ii) in all liability policies, provide that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of activities conducted under the permit, and that insurance applies separately to each insured against whom claim is made or suit is brought; and (iii) waiver of

subrogation in favor of Landlord and Manager must be included in all liability and Workers Compensation policies. All such policies shall be issued by an insurance company authorized to do business in Texas and in the standard form approved by the Texas Department of Insurance, if required, and shall be endorsed to provide for at least 30 days' advance written notice to Landlord of a material change in or cancellation of a policy. Certificates of insurance, satisfactory to Landlord, evidencing all coverage above, shall be furnished to Landlord prior to the Commencement Date, with complete copies of policies furnished to the Landlord upon request. Landlord reserves the right to review and revise from time to time the types of insurance and limits of liability required herein.

13. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures, fixtures and equipment on the Premises, or any part thereof, Tenant shall promptly give written notice to Landlord, generally describing the nature and extent of such damage and/or destruction.

B. If the Premises (excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any assignee, subtenant or other occupant of the Premises) should be substantially, totally, or partially destroyed or damaged by fire, tornado or other casualty, this Lease shall not terminate, but Landlord may, at Landlord's sole option and at Landlord's sole cost, expense and risk, proceed forthwith and use reasonable diligence to rebuild or repair the Premises (other than Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant or user of the Premises) to substantially the condition in which it existed prior to such destruction or damage; provided, however, that if Landlord elects not to rebuild or repair such damage or destruction, then this Lease shall terminate and rent shall be abated for the unexpired portion of this Lease, effective from the date of actual receipt by Landlord of the written notification of the damage from Tenant. If Landlord elects to rebuild or repair the Premises and the Premises is untenantable in whole or in part following such destruction or damage and during such period of rebuilding or repair, the rent payable hereunder shall be equitably adjusted for that period which it is untenantable. However, if the destruction was caused by the negligence, gross negligence, or willful or wanton act or omission of Tenant, its officers, employees, agents, subtenants, licensees, contractors, subcontractors, or invitees, rent shall not be abated and Tenant shall have the continuing obligation to pay rent during the period of such rebuilding or repair.

C. Landlord's election to pay for the cost of the repair or rebuilding of the Premises or any part thereof shall not extend beyond or exceed the proceeds of any casualty or property damage insurance payable and actually collected in connection with such damage or destruction. All insurance proceeds, if any, payable on account of such damage or destruction shall be held and retained by Landlord (whether or not such repair or rebuilding occurs or this Lease terminates).

14. Condemnation:

A. If, during the term hereof, any part of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or is sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Premises is not susceptible to efficient and economic occupation and operation by Tenant, this Lease shall automatically terminate as of the date said condemning

authority takes possession of the Premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If, after such taking by or sale to said condemning authority, the remainder of the Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder by a fraction, the numerator of which shall be the number of square feet remaining in the Premises after the taking by or sale to said condemning authority and the denominator of which shall be the square footage originally contained in the Premises. The rental adjustment called for herein shall either not commence or be suspended until said condemning authority actually takes possession of the condemned portion of the Premises. All other terms and provisions shall remain unchanged unless otherwise provided for herein.

C. Landlord shall receive the entire award or payment from any condemnation and Tenant shall have no claim to that award or for the value to Landlord of any unexpired term of this Lease; provided, however, that Tenant shall have the right to appear in any Condemnation proceeding or action to negotiate, prosecute and adjust any claim attributable to loss or damage to Tenant's trade fixtures and removable personal property, removal or relocation costs, and any loss to Tenant resulting from the unexpired portion of the Lease Term. If this Lease is not terminated pursuant to subparagraph A of this Paragraph, Landlord shall repair damage to the Premises caused by the condemnation (excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant of the Premises), except that (i) Landlord shall not be obligated to repair any damage for which Tenant has been reimbursed by the condemning authority; and (ii) if the condemnation damages or payments received by Landlord are not sufficient to pay for such repair, Landlord shall have the right to terminate this Lease.

15. Utilities:

A. The party designated below will pay for the following utility charges serving the Premises and any connection/disconnection charges for the utilities. (Check or mark all that apply)

	<u>N/A</u>	<u>Landlord</u>	<u>Tenant</u>	<u>Provided by Landlord & Reimbursed By Tenant (See Exhibit D)</u>
1. Water	--	--	--	√
2. Sewer	--	--	--	√
3. Storm Water	--	--	--	√
4. Electric	--	--	--	√
5. Gas	--	--	√	--
6. Telephone/Data	--	--	√	--
7. Trash	--	--	√	--
8. Cable	--	--	√	--
9. All Other	--	--	√	--

B. All utilities to be provided by Landlord and reimbursed by Tenant as indicated above shall be pursuant to Exhibit D – Utility Expense Reimbursement Addendum attached hereto and incorporated herein by reference.

C. The responsible party may select or change the utility service provider from time to time over the term of the Lease and the party designated above shall be responsible, at its sole cost and expense, for obtaining all utility connections at or for the Premises. If Tenant is the responsible party for obtaining any of the utility connections at or for the Premises, any access or alterations to the Premises or to the Airport necessary may be made only with Landlord's prior consent and at Tenant's sole expense. Should Landlord incur any liability for utility or connection charges for which Tenant is responsible to pay and Landlord pays such amount, Tenant will immediately upon written notice from Landlord reimburse Landlord such amount. Failure to reimburse Landlord as required upon notice is an event of default under this Lease.

D. Prior to executing this Lease Tenant should, at its sole costs and expense, determine whether all necessary utilities are available to the Premises and are adequate for Tenant's intended use.

E. Landlord shall in no event be liable or responsible for any cessation or interruption in any utility services to the Premises.

16. Common Facilities:

A. So long as Tenant is not in default hereunder beyond any applicable Cure Period, Tenant and Tenant's employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the Premises, other Airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport ("Common Facilities"). All such Common Facilities shall at all times be under the exclusive control and management of Landlord and may be rearranged, modified, changed or terminated from time to time at Landlord's sole discretion.

B. Tenant hereby acknowledges the existence of a certain unrecorded ingress/egress easement crossing the leased premises as shown and depicted in Exhibit B - Property Survey (the "Access Easement"). Tenant further acknowledges the purpose of this easement is for vehicular and pedestrian access to and from the Airport Common Facilities by Landlord's authorized users (and their employees, guests and other invitees) via what is commonly known as Airport Gate 4. Tenant shall not at any time block, interfere or otherwise impede the use or access to this easement and/or Airport Gate 4 by any such authorized user of the Airport Common Facilities. Landlord reserves the right to remove or cause to be removed and impounded or confiscated, at Tenant's sole cost and expense, any obstruction (including any vehicle or other type of tool or equipment) belonging to or otherwise placed by Tenant, Tenant's employees, guests or invitees contributing to the blockage, unsafe passage or unfretted use and access of the Access Easement as intended by Landlord. Tenant's failure to grant unrestricted and safe passage across the Access Easement by Landlord's authorized users of the Airport Common Facilities after receipt of written notice from Landlord is an event of default under this Lease and Landlord may, at its sole discretion, terminate this Lease without further notice or action by Landlord other than that required by law.

17. Special Events: Landlord may sponsor certain special events, including, but not limited to, air shows to be conducted on portions of the Airport, which may limit or obstruct access to the Premises and/or to the Airport ("Special Events"). As a material inducement to Landlord to enter into this Lease, and notwithstanding anything to the contrary contained herein, Tenant, on behalf of Tenant and on behalf of all directors, officers, shareholders, partners, principals, employees, agents, contractors, subtenants, licensees or concessionaires of Tenant, and on behalf of any other party claiming any right to use the Leased Premises by, through or under Tenant, hereby: (i) agrees that Landlord has the right to sponsor any or all Special Events and to allow use of portions of the Airport therefor even if the same limits or obstructs access to the Premises and/or to the Airport; (ii) releases, waives and discharges Landlord and Manager, and their respective officials, officers, employees and agents, from all liability for any loss, damage, cost, expense or claim arising or resulting from or pertaining to the limitation or obstruction of access to the Leased Premises and/or to the Airport from the conduct of Special Events and/or activities relating or pertaining thereto including, without limitation, death, injury to person or property or loss of business or revenue (the "Released Claims"); (iii) covenants not to sue the Landlord or Manager or their respective officials, officers, employees and agents (whether in their official or private capacities) for any Released Claims; (iv) agrees that the terms contained in this Paragraph are intended and shall be construed to be as broad and inclusive as possible under the laws of the State of Texas; and (v) agrees that if any portion of this Paragraph is held to be invalid or unenforceable, the remainder of this Paragraph shall not be affected thereby, but shall continue in full force and effect.

18. Rules and Regulations: Landlord has adopted Minimum Standards and Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern Tenant's use of and conduct on the Premises and all Common Facilities, a copy of which has been or will be furnished to Tenant. The Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with them. Landlord shall have the right to amend, modify and alter the Rules and Regulations from time to time in a reasonable manner for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other Tenants and customers of the Airport.

19. Signs and Equipment: After first securing Landlord's approval, Tenant shall have the right from time to time to install signs depicting Tenant's name and to operate radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the Premises that may be reasonably necessary for the operation of Tenant's business, provided such signs and equipment are installed and maintained in compliance with all applicable governmental laws, rules, policies, and regulations, and all reasonable changes to such rules, policies and regulations, including the Town of Addison's sign ordinance, and do not interfere with the operation of any navigation facilities or Airport communications (including, without limitation, navigation facilities or Airport communications used or operated by the Federal Aviation Administration).

20. Landlord's Right of Entry: Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Premises: (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the Premises to any prospective tenant, purchaser, or lender, or (iv) for any other reasonable and lawful purpose. During the final one hundred eighty (180) days of the term hereof, Landlord and

Landlord's authorized representatives shall have the right to erect and maintain on or about the Premises customary signs advertising the Premises for lease.

21. Indemnity and Exculpation and Release:

A. Exculpation. The Town of Addison, Texas and all other Addison Persons and the Manager Persons (for purposes of this subparagraph A, as the terms "Addison Persons" and "Manager Persons" are defined in Subsection B below), shall not be liable to Tenant or to any Tenant Persons (for purposes of this subparagraph A, as the term "Tenant Persons" is defined in Subsection B below), or to any other person whomsoever, for any death or injury to persons or damage to or destruction of property or any other harm on or about the Premises or any adjacent area owned by Landlord caused by or resulting from any act or omission of Tenant or any Tenant Persons or any other person entering the Premises under express or implied invitation of Tenant or any Tenant Persons, or arising out of the use or occupation of the Premises by Tenant or by any Tenant Persons, in the performance of Tenant's obligations hereunder.

B. TENANT'S INDEMNITY OBLIGATION. Tenant agrees to and shall fully DEFEND (with counsel reasonably acceptable to Landlord), INDEMNIFY AND HOLD HARMLESS (i) the Town of Addison, Texas, and the elected officials, the officers, employees, agents, representatives, and volunteers of the Town of Addison, Texas, individually or collectively, in both their official and private capacities (the Town of Addison, Texas, and the elected officials, the officers, employees, representatives, and volunteers of the Town of Addison, Texas each being an "Addison Person" and collectively the "Addison Persons") and (ii) Airport Manager and Airport Manager's owners, officers, employees and agents (Airport Manager and Airport Manager's owners, officers, employees and agents each being a "Manager Person" and collectively the "Manager Persons"), from and against any and all claims, actions, proceedings, causes of action, demands, losses, liens, harm, damages, penalties, fines, liabilities, expenses, lawsuits, judgments, costs, and fees (including reasonable attorney fees and court costs) of any kind and nature whatsoever made upon, incurred by, suffered by, or asserted against any Addison Person or any Manager Person or the Premises, whether directly or indirectly, (collectively for purposes of this Section, "Damages"), that result from, relate to, or arise out of, in whole or in part, (i) any condition of the Premises caused in whole or in part by Tenant or by any of Tenant's owners, directors, shareholders, partners, managers, officers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, concessionaires, or any other person or entity for whom Tenant is legally responsible, and their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires, or any other person acting by or under the authority or with the permission of Tenant, Tenant's tenants, or any other person entering the Premises under express or implied invitation of Tenant during the Lease Term (collectively, "Tenant Persons"), (ii) any construction on or repair to the Premises, or the Premises becoming out of repair due to the fault of Tenant or any Tenant Persons, for any reason including by failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling, (iii) representations or warranties by Tenant under this Lease, and/or (iv) any act or omission of Tenant or any Tenant Persons

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under, in connection with, or in the performance of, this Lease. SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND. However, Tenant's liability under this clause shall be reduced by that portion of the total amount of the Damages (excluding defense fees and costs) equal to the Addison Person or Addison Persons', or Manager Person or Manager Persons', (as the case may be) proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss. Likewise, Tenant's liability for any Addison Person's or any Manager Person's defense costs and attorneys' fees shall be reduced by that portion of the defense costs and attorneys' fees equal to Addison Person or Addison Persons', or Manager Person or Manager Persons', (as the case may be) proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss.

Tenant shall promptly advise Landlord in writing of any claim or demand against the Town of Addison, any other Addison Person, any Manager Person, or Tenant or any Tenant Person related to or arising out of Tenant's activities under this Lease and shall see to the investigation and defense of such claim or demand at Tenant's sole cost and expense. The Addison Persons and Manager Persons, as the case may be, shall have the right, at the Addison Persons' or Manager Persons' (as the case may be) option and at their own expense, to participate in such defense without relieving Tenant of any of its obligations hereunder.

C. Release. Tenant hereby **RELEASES** the Town of Addison, Texas and all other Addison Persons (as the term "Addison Persons" is defined in subsection B. of this Section) and Airport Manager and all other Manager Persons (as the term "Manager Persons" is defined in subsection B. of this Section) from, and agrees that the Town of Addison, Texas and all other Addison Persons, and Airport Manager and all other Manager Persons, shall not be liable to Tenant or any Tenant Persons (as the term "Tenant Persons" is defined in subsection B. of this Section) for (i) any death or injury to any person or persons or damage to or destruction of property of any kind resulting from the Premises becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling or for any other reason whatsoever, and for (ii) any loss or damage that may be occasioned by or through the acts or omissions of other tenants of Landlord or caused by operations in construction of any private, public or quasi-public work.

D. THE PROVISIONS OF THIS PARAGRAPH 21 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

22. Environmental Compliance:

A. No Storage or Disposal: Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant, its agents, employees, independent contractors, or

subtenants) on the Premises or any portion of the Common Facilities, any: (a) asbestos in any form; (b) urea formaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, and/or the Clean Water Act or any other federal, state, county, regional, local or other governmental authority, laws, rules or regulation, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Premises and/or any portions of the Common Facilities, and which is either: (i) in amounts in excess of that permitted or deemed safe under applicable law; or (ii) in any manner which is prohibited or deemed unsafe under applicable law. (The substances referred to in (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws; Tenant's Indemnity Obligation:

1. Tenant shall, at Tenant's sole cost and expense, comply with any presently existing or hereafter enacted laws, and all reasonable rules, standards, regulations, or policies relating to Hazardous Materials (collectively, "Cleanup Laws"). In furtherance and not in limitation of the foregoing, Tenant shall, at Tenant's sole cost and expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Cleanup Laws. Should any Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of the existence of Hazardous Materials which were installed, stored, used, treated, transported, disposed of or discharged on the Premises and/or any portion of the Common Facilities by (i) Tenant, or by (ii) any of Tenant's owners, directors, shareholders, partners, managers, officers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, concessionaires, or any other person or entity for whom Tenant is legally responsible, and/or their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires, or by (iii) any person acting by or under the authority or with the permission of Tenant, Tenant's tenants, or any other person entering the Premises under express or implied invitation of Tenant during the Term of this Lease, Tenant shall, at Tenant's own cost and expense, prepare and submit the required plans and financial assurances and carry out the approved plans in accordance with such Cleanup Laws and to Landlord's satisfaction. At no expense to Landlord, Tenant shall promptly provide all information requested by Landlord for preparation of affidavits or other documents required by Landlord to determine the applicability of the Cleanup Laws to the Premises and/or any portion of the Common Facilities, as the case may be, and shall sign the affidavits promptly when requested to do so by Landlord.

2. **Tenant's Indemnity Obligation.** Without limiting any other indemnity, hold harmless, and defense obligation of Tenant set forth in this Lease, Tenant agrees to and shall fully DEFEND (with counsel reasonably acceptable to Landlord), INDEMNIFY, AND HOLD HARMLESS the Town of Addison, Texas and all other Addison Persons (as the term "Addison Persons" is defined in subsection B of Section 21, above), and the Manager Persons (as the term "Manager Persons" is defined in subsection B of Section 21, above), from and against, and reimburse the Town of Addison, Texas, all other Addison Persons, the Airport Conventional Hangar Lease – Page 15

Manager and all other Manager Persons (as the case may be) for, any and all obligations, damages, injunctions, fines, penalties, demands, claims, costs, fees, charges, expenses, actions, causes of action, judgments, liabilities, suits, proceedings, harm, and losses of whatever kind or nature (including, without limitation, attorneys' fees and court costs), and all cleanup or removal costs and all actions of any kind arising out of or in any way connected with the installation, storage, use, treatment, transporting, disposal or discharge of Hazardous Materials in, on, under, above, or to the Premises and/or any portion of the common facilities or any portion of the Airport or adjacent properties by Tenant or by any Tenant Persons (as the term "Tenant Persons" is defined in subsection B of Section 21, above); and from all fines, penalties, suits, judgments, procedures, proceedings, claims, actions, and causes of action of any kind whatsoever arising out of Tenant's or any of Tenant Persons' failure to provide all information, make all submissions and take all steps required by the Authority under the Cleanup Laws or any other law, rules, regulation, standard, order, or policy (environmental or otherwise). SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS, OR BY ANY ACT OR OMISSION OF OR BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND. However, Tenant's liability under this clause shall be reduced by that portion of the total amount of the Damages (excluding defense fees and costs) equal to the Addison Person or Addison Persons', or Manager Person or Manager Persons', (as the case may be) proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss. Likewise, Tenant's liability for any Addison Person's or any Manager Person's defense costs and attorneys' fees shall be reduced by that portion of the defense costs and attorneys' fees equal to Addison Person or Addison Persons', or Manager Person or Manager Persons', (as the case may be) proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss.

Tenant's obligations and liabilities under this subparagraph shall continue (and survive the termination or expiration of this Lease) so long as there may be Hazardous Materials at the Premises and/or any portion of the common facilities or any portion of the Airport or adjacent properties, that were installed, stored, used, treated, transported, disposed of or discharged during the Lease Term by Tenant or any of Tenant Persons. In addition to and not in limitation of Landlord's other rights and remedies, Tenant's failure to abide by the terms of this Section shall be restrainable by injunction.

C. Environmental Notices: Tenant shall promptly supply Landlord and Airport Manager with copies of any notices, correspondence and submissions made by Tenant to or received by Tenant from any governmental authorities of the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, the FAA, TxDOT, or any other local, state or federal authority that requires submission of any information concerning environmental matters or Hazardous Materials.

D. Survival: Tenant's obligations and liability pursuant to the terms of this Paragraph 22 shall survive the expiration or earlier termination of this Lease.

23. Default by Tenant: The following events shall be deemed to be events of default by Tenant under this Lease:

A. Failure of Tenant to pay any installment of rent, or to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, insurance premiums, or any other sum payable to Landlord hereunder on the date that same is due, and such failure shall continue thereafter for a period of ten (10) days and such failure shall not be cured within ten (10) days after written notice thereof to Tenant.

B. Failure of Tenant to comply with any term, condition or covenant of this Lease, other than the payment of rent or other sum of money, and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Tenant shall fail to deliver the Additional Deposit to Landlord within ten (10) days after the delivery by Landlord to Tenant of the Additional Deposit Notice.

D. Insolvency, the making of a transfer in fraud of creditors, or the making of an assignment for the benefit of creditors by Tenant or any guarantor of Tenant's obligations.

E. Filing of a petition under any Paragraph or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof by Tenant or any guarantor of Tenant's obligations, or adjudication as a bankrupt or insolvent in proceedings filed against Tenant or such guarantor.

F. Appointment of a receiver or trustee for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations.

G. Abandonment by Tenant of any substantial portion of the Premises or cessation of use of the Premises for the purposes leased.

24. Remedies of Landlord: Upon the occurrence of any of the events of default listed in Paragraph 23, Landlord shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever:

A. Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to surrender the Premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the Premises or arrearages in rent and without further notice or demand, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on demand the amount of all loss and damages which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise.

B. Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to so surrender the Premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the Premises or arrearages in rent and without further notice or demand, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof,

without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on the date of such termination damages in any amount equal to the excess, if any, of the total amount of all monthly rental and other amounts to be paid by Tenant to Landlord hereunder for the period which would otherwise have constituted the unexpired portion of the term of this Lease over the then fair market rental value of the Premises for such unexpired portion of the term of this Lease.

C. Enter upon and take possession of the Premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof. Landlord may (but shall not be required to) relet the Premises and receive the rent therefor. Tenant agrees to pay to Landlord monthly or on demand from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of reletting shall be subtracted from the amount of rent received under such reletting.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained. If any of Tenant's property ("Tenant Property") remains upon the Premises upon the expiration of the Lease term or any earlier termination of this Lease or any repossession of the Premises by Landlord because of Tenant's default under this Lease, Landlord shall have the right to remove such Tenant Property from the Premises and store such Tenant Property, and Tenant shall be obligated to reimburse Landlord for all of the costs incurred by Landlord in removing and storing such Tenant Property. Landlord shall not be required to release any Tenant Property to Tenant until Tenant has paid Landlord all costs incurred by Landlord in removing and storing such Tenant Property and all other amounts owed by Tenant to Landlord pursuant to this Lease, including, without limitation, unpaid rental and costs incurred by Landlord to repair the Premises.

25. Default by Landlord: No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Premises or render Landlord liable for damages or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recoupment or entitle Tenant to take any action whatsoever with regard to the Premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

26. Waiver of Subrogation: Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Lease

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for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of the Premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

27. Title to Improvements: The Town of Addison, Texas, solely owns the Premises. Any and all improvements made to the Premises by Tenant shall become the property of Landlord upon the expiration or termination of this Lease; provided, however: (i) if Tenant is not then in default hereunder, Tenant shall have the right to remove all personal property, equipment, or trade fixtures owned by Tenant from the Premises, but Tenant shall be required to repair any damage to the Premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements made to the Premises by Tenant and restore the Premises to the condition in which the same existed on the Commencement Date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense. If Tenant fails or refuses to remove any or all of Tenant's personal property, equipment, and trade fixtures from the Premises on or before the date of the termination of this Lease, the items which Tenant has failed or refused to remove: (i) shall be considered abandoned by Tenant, (ii) shall become the property of Landlord, and (iii) may be disposed of by Landlord in any manner desired by Landlord in Landlord's unfettered discretion.

28. Mechanics' and Materialmen's Liens: TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD LANDLORD HARMLESS OF AND FROM ALL LIABILITY ARISING OUT OF THE FILING OF ANY MECHANICS' OR MATERIALMEN'S LIENS AGAINST THE PREMISES BY REASON OF ANY ACT OR OMISSION OF TENANT OR ANYONE CLAIMING UNDER TENANT, AND LANDLORD, AT LANDLORD'S OPTION, MAY SATISFY SUCH LIENS AND COLLECT THE AMOUNT EXPENDED FROM TENANT TOGETHER WITH INTEREST THEREON AS PROVIDED IN PARAGRAPH 39 AS ADDITIONAL RENT; PROVIDED, HOWEVER, THAT LANDLORD SHALL NOT SO SATISFY SUCH LIENS UNTIL THIRTY (30) DAYS AFTER WRITTEN NOTIFICATION TO TENANT OF LANDLORD'S INTENTION TO DO SO AND TENANT'S FAILURE DURING SUCH THIRTY (30) DAY PERIOD TO BOND SUCH LIENS OR ESCROW FUNDS WITH APPROPRIATE PARTIES TO PROTECT LANDLORD'S INTEREST IN THE PREMISES.

29. Title: Tenant accepts the Premises subject to: (i) the Addison Airport Minimum Standards and Requirements For Commercial Aeronautical Service Providers adopted March 1, 2004 as amended or modified from time to time, and the prevailing Addison Airport Rules and Regulations; (ii) easements and rights-of-way; and (iii) zoning ordinances and other ordinances, laws, statutes or regulations now in effect or hereafter promulgated by any governmental authority having jurisdiction over the Premises.

30. Quiet Enjoyment and Subordination: Landlord covenants, represents and warrants that Landlord has full right and power to execute and perform this Lease and to grant the estate demised herein, and that Tenant, upon payment of the rents herein reserved, and performance of the terms, conditions, covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the Premises during the full term of this Lease; provided, however, that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon the Premises. Landlord further is hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises or to declare this Lease prior and superior to any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises. Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request, provided such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease so long as Tenant pays and performs all of the duties and obligations of Tenant under this Lease; and (ii) in the event of foreclosure or any enforcement of any such mortgage, deed of trust or other lien, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations under this Lease. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive any foreclosure of such mortgage, deed of trust or other lien. Upon any foreclosure of any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises, Tenant agrees to attorn to and recognize as landlord hereunder, the purchaser of Landlord's interest in the Premises at any foreclosure sale pursuant to any such mortgage, deed of trust or other lien, if Tenant is required to do so by the applicable party.

31. Access and Egress: Landlord reserves, and Tenant hereby grants to Landlord, the full and unrestricted access to and egress from that portion of the Premises on which buildings are not located for Landlord, its tenants, employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, and Manager, its officers, employees and agents, without charge to Landlord or to said persons or entities.

32. Rent on Net Return Basis: It is intended that the rent provided for in this Lease shall be an absolutely net return to Landlord for the term of this Lease, free of any loss, expenses or charges with respect to the Premises including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with such intention.

33. Holding Over: Should Tenant, or any of Tenant's successors in interest fail to surrender the Premises, or any part thereof, on the expiration of the term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days' prior written notice to the other, at a monthly rental equal to one hundred fifty percent (150%) of the rent paid for the last month of the term of this Lease.

34. Waiver of Default: No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

35. Release of Landlord Upon Transfer: All of Landlord's personal liability for the performance of the terms and provisions of this Lease (except for any liability accruing prior to such transfer) shall terminate upon a transfer of the Premises by Landlord, provided that the obligations of Landlord under this Lease are covenants running with the land and shall be binding upon the transferee of Landlord's interest in this Lease and the Premises.

36. Attorneys' Fees: If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, it shall become necessary for the other to employ an attorney to enforce or defend any of such party's rights or remedies hereunder, and should such party prevail, such party shall be entitled to collect reasonable attorneys' fees incurred in such connection from the other party.

37. Financial Information: Tenant agrees that Tenant will from time to time, upon the written request of Landlord during the term of this Lease furnish to Landlord such credit and banking references as Landlord may reasonably request.

38. Estoppel Certificates:

A. Tenant agrees that from time to time, upon not less than thirty (30) days' prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications); (ii) the dates to which rent and other charges have been paid; (iii) Landlord is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto; (iv) that, if requested by Landlord, Tenant will not pay rent more than one (1) month in advance and that this Lease will not be amended without notice to Landlord's mortgagee and that the same will not be terminated without the same notice required by the Lease to be furnished to Landlord also being furnished to Landlord's mortgagee and Landlord's mortgagee fails to cure such default within the curative period allowed Landlord under this Lease; and (v) any other information pertaining to Landlord, Tenant, this Lease or the Premises reasonably requested by Landlord.

B. Landlord agrees that from time to time, upon not less than thirty (30) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the lease as modified is in full force and effect and stating the modifications); (ii) the dates to which rent and other charges have been paid; and/or (iii) Tenant is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto.

39. Interest on Tenant's Obligations and Manner of Payment: All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest per annum at the greater of ten percent (10%) or the highest non-usurious rate then allowed by law from

Conventional Hangar Lease – Page 21

and after said tenth (10th) day until paid. If more than twice during the term of the Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cashier's check, certified check or money order, and the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice.

40. Landlord's Lien: In addition to the constitutional and statutory Landlord's liens, **TENANT HEREBY GRANTS TO LANDLORD A SECURITY INTEREST TO SECURE PAYMENT OF ALL RENT DUE HEREUNDER FROM TENANT, UPON ALL GOODS, WARES, EQUIPMENT, FIXTURES, FURNITURE AND OTHER PERSONAL PROPERTY OWNED BY TENANT AND SITUATED IN OR UPON THE PREMISES, TOGETHER WITH THE PROCEEDS FROM THE SALE OR LEASE THEREOF.** Such property shall not be removed without the consent of Landlord until all arrearages in rent then due to Landlord hereunder shall have been paid and discharged. Upon Tenant's failure to pay rent due within ten (10) days after the due date, Landlord may, in addition to any other remedies provided herein or by law, enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property owned by Tenant and situated on the Premises without liability for trespass or conversion, and sell the same at public or private sale with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any such sale. Landlord has no right to and has no security interest in and may not take possession of any property which may be situated on the Premises but which is not owned by Tenant, including but not limited to property which may be owned by another and leased and/or loaned to Tenant. Unless otherwise required by law, notice to Tenant of such sale shall be deemed sufficient if given in the manner prescribed in this Lease at least thirty (30) days before the time of the sale. Any public sale made under this paragraph shall be deemed to have been conducted in a commercially reasonable manner if held in the Premises or where the property is located, after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in Dallas County, Texas, for five (5) consecutive days before the date of the sale. Landlord or Landlord's assigns may purchase at a public sale and, unless prohibited by law, at a private sale. The proceeds from any disposition dealt with in this paragraph, less any and all expenses connected with the taking of possession, holding and selling of the property including reasonable attorneys' fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted herein. Any surplus shall be paid to Tenant or as otherwise required by law, and Tenant shall pay any deficiency forthwith. Upon request by Landlord, Tenant agrees to execute and deliver to Landlord financing statements in form sufficient to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Texas Business and Commerce Code. The constitutional and statutory liens for rent are expressly reserved; the security interest herein granted is in addition and supplementary thereto.

41. Corporate Execution: If Tenant is a corporation or if this Lease shall be assigned by Tenant to a corporation or if Tenant sublets all or a portion of the Premises to a corporation, such corporation hereby agrees to execute and deliver to Landlord from time to time during the term of this Lease such instruments as Landlord may reasonably request to evidence: (i) the authority of such corporation to transact business good standing with the State of Texas; and (ii) the authority of

Conventional Hangar Lease – Page 22

the officers of such corporation to execute this Lease or other documents in connection with this Lease.

42. Joint and Several Liability: If more than one person or entity is defined as Tenant in this Lease, all of the duties, obligations, promises, covenants and agreements contained in this Lease to be paid and performed by Tenant shall be the joint and several obligation of all persons or entities defined as Tenant. Each person or entity defined as Tenant agrees that Landlord, in Landlord's sole discretion, may: (i) institute or bring suit against them, jointly and severally, or against any one or more of them; (ii) compromise or settle with any one or more of them for such consideration as Landlord may deem proper; and (iii) release one or more of them from liability hereunder, and that no such action by Landlord shall impair or affect Landlord's rights to collect costs, expenses, losses or damages incurred or suffered by Landlord from the other persons or entities defined as Tenant, or any of them, not so sued, compromised, settled with or released.

43. Certificate of Occupancy: Tenant may, prior to the commencement of the term of this Lease, apply for a Certificate of Occupancy to be issued by the Town of Addison. If for any reason, beyond the reasonable control of Tenant, Tenant is unable to secure a Certificate of Occupancy within thirty (30) days of said Commencement Date, Tenant may terminate this Lease provided Tenant has given Landlord written notice of all deficiencies preventing the issuance of said Certificate of Occupancy in favor of Tenant and Landlord fails to cure or otherwise resolve the deficiency(ies) within ten (10) business days of Landlord's receipt of Tenant's written notice. Nothing herein contained shall obligate Landlord to install any additional electrical wiring, plumbing or plumbing fixtures, or other fixtures or equipment or any other improvements whatsoever which are not presently existing in the Premises, or which have not been expressly agreed upon by Landlord in writing.

44. Independent Contractor: It is understood and agreed that in leasing and operating the Premises, Tenant is acting as an independent contractor and is not acting as agent, partner, joint venturer or employee of Landlord.

45. Force Majeure: In the event performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by an Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of Landlord, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord is so delayed or hindered.

46. Exhibits: All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

47. Use of Language: Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

48. Captions: The captions or headings or paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

49. Successors: The terms, conditions and covenants contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and legal representatives except as otherwise herein expressly provided. All rights, powers, privileges, immunities and duties of Landlord under this Lease including, but not limited to, any notices required or permitted to be delivered by Landlord to Tenant hereunder may, at Landlord's option, be exercised or performed by Landlord's agent or attorney.

50. Severability: If any provision in this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

51. Notices: Any notice or document required to be delivered hereunder may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage prepaid as registered or certified mail (return receipt requested is optional by sender), addressed to the parties at the addresses indicated below, or at such other addresses as may have theretofore been specified by written notice delivered in accordance herewith.

TO LANDLORD:

Town of Addison, Texas
c/o Addison Airport
16051 Addison Road, Suite 220
Addison, Texas 75001
Attn: Real Estate Manager

and

Town of Addison, Texas
5300 Beltline Road
Dallas, TX 75001-9010

TO TENANT:

ADS US Sport Aircraft LLC
4700 Airport Parkway
Addison, Texas 75001

Attn: Patrick Arnzen

Title: Manager

52. Fees or Commissions: Each party hereto hereby covenants and agrees with the other that such party shall be solely responsible for the payment of any brokers', agents' or finders' fees or commissions agreed to by such party arising from the execution of this Lease or the performance of the terms and provisions contained herein, **AND SUCH PARTY AGREES TO INDEMNIFY AND HOLD THE OTHER PARTY HARMLESS FROM THE PAYMENT OF ANY SUCH FEES OR COMMISSIONS.**

53. Counterparts: This Lease may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

54. Governing Law and Venue: This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas, and with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement; and

Landlord and Tenant both irrevocably agree that venue for any dispute concerning this Lease or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Dallas County, Texas.

55. No Recording: Tenant agrees that Tenant will not record this Lease in the real property records of Dallas County, Texas, without first securing the prior written consent of Landlord, which may be withheld at Landlord's sole discretion. However, Tenant agrees upon the written request of Landlord to execute, acknowledge and deliver to Landlord a short-form lease in recordable form.

56. Diagram: The diagram of the Airport attached hereto as Exhibit C merely evidences existing or contemplated improvements. By attaching such diagram as an exhibit to this Lease, Landlord is in no way contracting or bound to maintain or construct improvements exactly as shown thereon or prohibited from making additional or different improvements.

57. Time of Essence: Time is of the essence in the payment and performance of the duties and obligations imposed upon Tenant by the terms and conditions of this Lease.

58. Survival: All duties and obligations imposed upon Tenant by the terms and conditions of this Lease shall survive the termination or expiration of this Lease until paid or performed.

59. Special Conditions:

NO CARGO OR SIMILAR TYPE DELIVERIES ARE TO BE MADE VIA THE AIRPORT OPERATING AREA WITHOUT A QUALIFIED ESCORT ACCEPTABLE TO AIRPORT MANAGEMENT. FAILURE TO COMPLY WITH THIS PROVISION IS A DEFAULT OF THIS AGREEMENT PURSUANT TO PARAGRAPH 23 OF THIS AGREEMENT, EXCEPT THAT NO CURE OR REMEDY IS AVAILABLE TO TENANT AFTER A SECOND WRITTEN NOTICE IS DELIVERED BY LANDLORD TO TENANT PURSUANT TO PARAGRAPH 51 OF THIS AGREEMENT WITHIN ANY CONSECUTIVE TWELVE (12) MONTH PERIOD DURING THE TERM OR ANY EXTENSION THEREOF. FOR THE PURPOSES OF THIS PARAGRAPH, THE AIRPORT OPERATING AREA IS DEFINED AS THAT PORTION OF THE AIRPORT INSIDE WHAT IS GENERALLY REGARDED AS THE AIRPORT PERIMETER FENCE EXCLUDING THE LEASED PREMISES.

60. Entire Agreement and Amendments: This Lease, consisting of sixty (60) Paragraphs and Exhibits A through E attached hereto and made a part hereof, together with the premises to this Lease set forth above which are incorporated herein, and any other documents incorporated herein (including, without limitation, the Rules and Regulations), embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

EXECUTED as of the day, month and year first above written.

TENANT:

ADS SPORT AIRCRAFT, LLC
a Texas limited liability company

By:  _____

Printed Name: Patrick Arnzen

Title: Manager

LANDLORD:

TOWN OF ADDISON, TEXAS
a home-ruled municipality

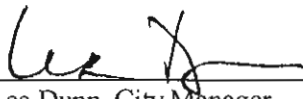
By:  _____
Lea Dunn, City Manager

EXHIBIT A

Legal Description of Lease Premises

4700 AIRPORT PARKWAY
PROPERTY # R1-A

BEING a tract of land situated in the Edward Cook Survey, Abstract No. 326, Dallas County, Texas, and being a part of the Final Plat of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 of the Deed Records of Dallas County, Texas (DRDCT) and being more particularly described as follows;

BEGINNING at a cut 'x' found in concrete in the west line of Addison Airport Property No. 0110;

THENCE S 07°16'34" E, along the west line of said Property No. 0110, 98.77 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 81°58'42" W, 147.61 feet to a "PK" nail set with plastic cap stamped "Sparr Surveys";

THENCE S 07°58'34" E, 100.98 feet to a to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 81°51'05" W, 27.19 feet to a cut 'x' found at the northeast corner of a tract of land known as 4650 Airport Parkway;

THENCE S 68°54'08" W, along the north line of said 4650 Airport Parkway, 44.04 feet to a cut 'v' set in concrete;

THENCE N 25°19'38" W, departing the north line of said 4650 Airport Parkway, 28.16 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of Airport Parkway (60 foot wide unrecorded Ingress and Egress easement), and lying in a non-tangent circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the south line of said Airport Parkway the following:

Northeasterly, along said curve to the left, through a central angle of 11°18'40", an arc distance of 25.66 feet and having a chord which bears N 24°52'14" E, 25.62 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

N 19°12'55" E, 137.83 feet to a cut 'x' found at the point of curvature of a circular curve to the right having a radius of 70.00 feet;

Northeasterly, along said curve to the right, through a central angle of 33°17'44", an arc distance of 40.68 feet and having a chord which bears N 35°51'46" E, 40.11 feet to a cut 'x' found at the point of reverse curvature of a non-tangent circular curve to the left having a radius of 248.00 feet;

Northeasterly, along said curve to the left, through a central angle of 16°35'53", an arc distance of 71.84 feet and having a chord which bears N 44°30'06" E, 71.59 feet to a "PK" nail set;

THENCE N 86°13'59" E, departing the south line of said Airport Parkway, 66.39 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 07°15'10" E, at 12.90 feet passing a 1/2-inch iron rod found at the northwest corner of said Property No. 0110, continuing along the west line of said Property No. 0110, in all a distance of 28.73 feet to the POINT of BEGINNING and CONTAINING 0.547 acre of land.

Property Survey

The Premises is located at 4700 Airport Parkway, Addison, Texas 75001, also sometimes referred to as Building #013B within Addison Airport, Addison, Texas and further described as follows:

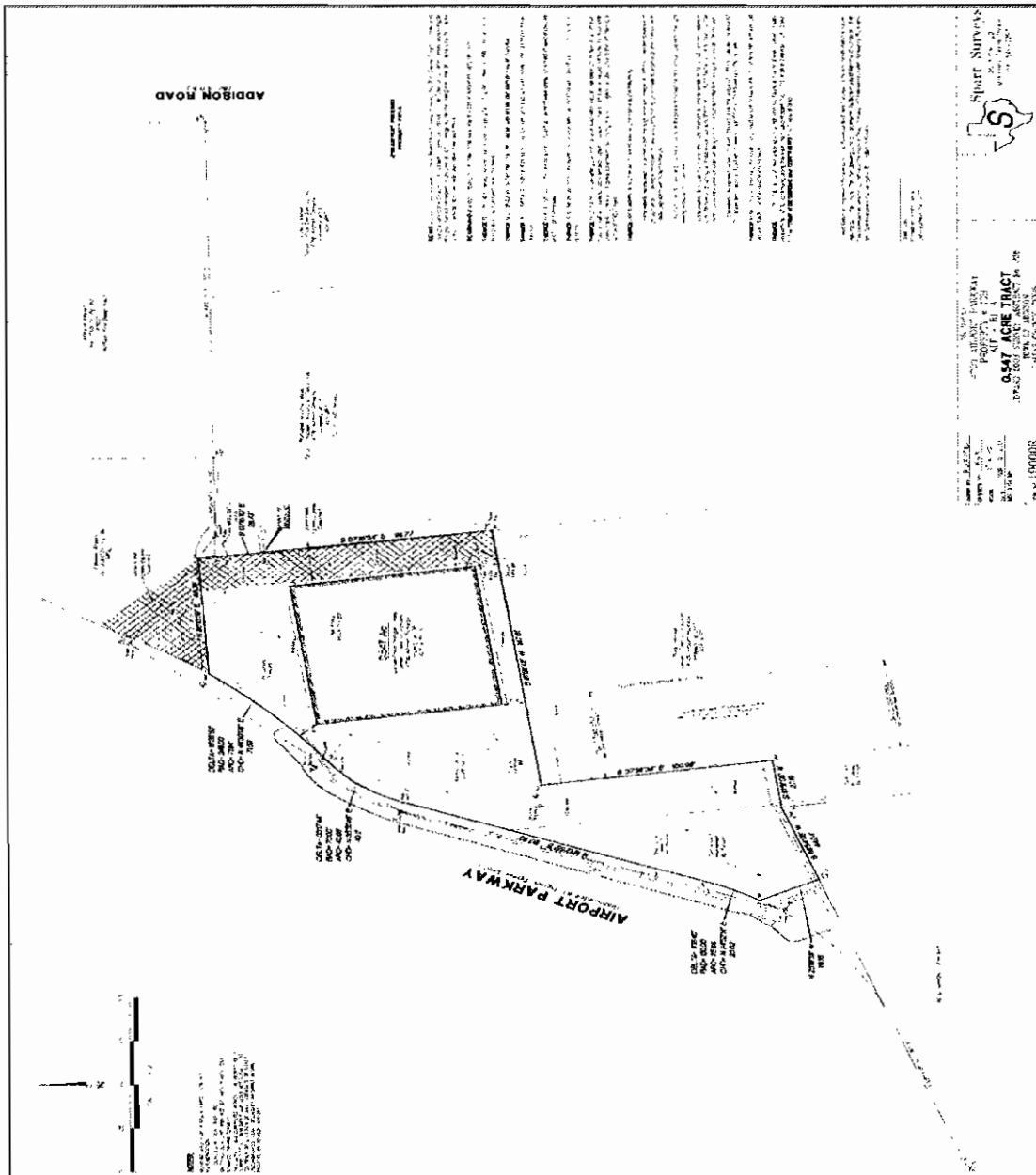


EXHIBIT C

Aerial View of Leased Premises

Below is a depiction of the proximity of the Leased Premises for informational purposes only and is not to be construed as accurate in area or dimension.



EXHIBIT D

Utility Expense Reimbursement Addendum

**ADDENDUM TO THE CONVENTIONAL HANGAR LEASE AGREEMENT BETWEEN
ADS US SPORT AIRCRAFT, LLC AND TOWN OF ADDISON CONCERNING THE
LEASED PREMISES AT 4700 AIRPORT PARKWAY AT ADDISON AIRPORT,
ADDISON, DALLAS COUNTY, TEXAS 75001**

In addition to the Base Rent stated in the Lease, Tenant will pay Landlord as Additional Rent the following utility services described in this addendum. Tenant will pay the Additional Rent each month in arrears when or before the next Base Rent monthly installment is due:

- Electrical Services: Direct Energy ESI ID: 10443720008278366/Meter #043263156LG
- Water, Sewer and Storm Water: Town of Addison Account #288603/Meter #72111544

Each month Landlord shall assess Tenant for all direct utility costs for these utilities, including taxes, fees and other related costs billed and paid for by Landlord for the preceding billing cycle that exclusively serve the Premises. Landlord agrees to reasonably cooperate with Tenant in the event Tenant should desire to inquire, protest or appeal the charges being assessed by the utility service provider. To this end, and at Tenant's expense, Tenant shall give Landlord prior written notice of any such protest or appeal, and resolution thereof.

Landlord agrees not to assess any rebilling or administrative service fees for utility costs covered under this addendum. Tenant's failure to pay all Additional Rent as required by the Lease and/or this Addendum is considered an event of default pursuant to Section 23.A. of the Lease.

EXHIBIT E

4700 Airport Parkway, Addison Airport
Addison, Texas

Maintenance and Repair Responsibilities

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
Ground Maintenance			
Building & Gate Locksmithing & Security		All as required by Tenant's use and all ordinances, rules and regulations. All doors and gates leading to Airport Operating Area are to be kept secured at all times.	
Fencing	Landlord maintains Airport Perimeter Fence, unless damaged by Tenant or its guests and invitees	All other, if any, is Tenant's responsibility.	
Landscape & Lawn Care		All turf, beds and planters within the leased premises and outside Airport Perimeter Fence along Airport Parkway unless otherwise requested by Landlord.	
Landscape Irrigation		Minimum requirements by city ordinance	
Pavement - Parking	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage caused other than normal wear and tear. Painting and striping as required for intended use or required by ordinance with Landlord's prior	

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
		written consent.	
Pavement - Ramp	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage caused other than normal wear and tear. Painting and striping as required for intended use, safe operations or as required by Landlord and with Landlord's prior written consent.	
Trash Dumpster	Landlord to approve location in advance.	To be provided at Tenant's sole cost and expense and kept within lease premises unless otherwise authorized in writing by Landlord	
Trash Dumpster screening, if required	Landlord to approve location, design and material used.	Constructed and maintained at Tenant's sole cost and expense.	
<u>Building Shell</u>			
Garage Overhead & Service Doors	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance and basic service	
Hangar Doors	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance and basic service	
Hangar Floor	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance, sweeping, cleaning and safety markings as required.	
Building & Hangar Insulation, if existing	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance, repair and replacement where required	

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
Painting and cleaning of building exterior	Performed by Landlord at Landlord's sole expense and discretion	General preventive maintenance, repair and replacement where required	
Repairs to exterior siding, fascia, trim	Performed by Landlord at Landlord's sole expense and discretion	General preventive maintenance, repair and replacement where required	
Window and Glass Curtain Walls	Major repairs and replacement when required at sole discretion of Landlord	General preventive maintenance, repair and replacement where required	
Roof	Major repairs and replacement when required at sole discretion of Landlord	No penetrations without Landlord's prior written approval	
Interior - Finish-out			
Interior Doors	Major repairs and replacement when required at sole discretion of Landlord	General preventive maintenance, repair and replacement where required	
Office/shop space flooring and floor cover	Major repairs and replacement at sole discretion of Landlord	Major repair and replacement with Landlord's prior consent. General preventive maintenance, cleaning, repair and replacement where required	
Painting Interior		Repainting similar to existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required	
Wall & Ceilings	Major repairs and replacement at sole discretion of Landlord	Repainting or repairing similar to existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance,	

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
		cleaning, repair and replacement where required	
Building Systems			
Air Compressor		Tenant's full responsibility	
Electrical Systems	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
Exterior Lighting & maintenance	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
Hangar light repair and replacement	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
HVAC	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
Window a/c units, if any	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
Plumbing systems	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
Water heater	Replacement at Landlord's sole discretion	General maintenance and repair. Replacement with Landlord's prior written consent	
Storm water drains		Tenant's full responsibility	
Grease Traps		Tenant's full responsibility	
Tapping into Fire Main for fire suppression systems		Tenant's full responsibility with Landlord's prior written consent.	
Other:			
Other:			

AI-1157

3.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Infrastructure- Development Services

Council Goals: Create and Implement a strategy for Town Owned Real Estate

AGENDA CAPTION:

A resolution approving a lease agreement with Jani-King International, Inc., for a conventional hangar at 4730 George Haddaway at Addison Airport.

BACKGROUND:

Airport Management requests consideration and consent to the proposed conventional hangar lease for between the Town and Jani-King, International, Inc. ("Jani-King") at 4730 George Haddaway on Addison Airport. The city attorney has reviewed the agreement and finds it acceptable.

Jani-King has been the tenant on the lease site since May 2007. They have used the facility as a maintenance and aircraft storage facility in support of and in connection with the Cavanaugh Flight Museum. The proposed lease supersedes and replaces the previous commercial lease with Jani-King that is scheduled to expire June 30, 2015.

The lease site consists of 1.46 acres of improved property with a 20,500 SF maintenance hangar with approximately 9,000 SF of attached office/shop space that was constructed in 1958.

The proposed lease will commence on July 1, 2015 and is due to expire on June 30, 2017 unless earlier terminated pursuant to the provisions of Section 2.B of the lease. If the Town needs the leased premises for redevelopment purposes, the lease may early terminate provided that the Town gives Jani-King 120-days advance written notice of the intended early termination. In such event, the Town has no duty or obligation to offer Jani-King a replacement facility.

On the Commencement Date of July 1, 2015, the Base Rental will be \$126,444 (\$4.29/BSF/YR) per year payable in twelve monthly equal installments of Ten Thousand Five Hundred Thirty-Seven Dollars and 00/100 (\$10,537.00) on or before the first day of each calendar month over the term of the lease. Upon the anniversary of the Commencement Date and each anniversary thereafter, the Base Rental is subject to a cost of living (CPI) adjustment as provided for in the lease.

The permitted use of the demised premises continues to be limited for customary aircraft storage, maintenance and repair, and the sale of aircraft parts only. Because of the condition of the facility, its limited amenities, and other safety considerations, use of the facility for public display, tours or other museum-related activities for the benefit of the

general public is not permitted without the prior written consent of the Airport Director.

RECOMMENDATION:

Administration recommends approval.

Attachments

Jani-King Council Memo
Resolution



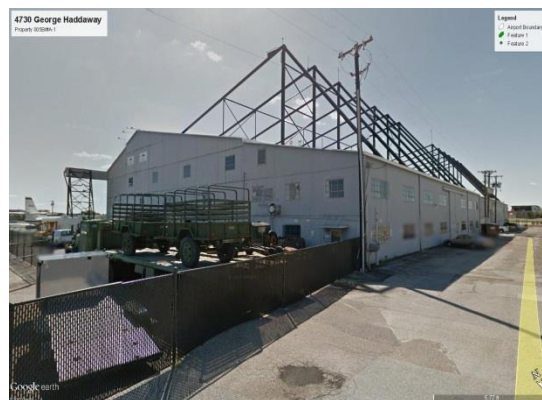
William M. Dyer
Real Estate Manager
16051 Addison Road
Suite #220
Addison, Texas 75001

Main: 972-392-4850
Direct: 972-392-4856
Fax: 972-788-9334
bill.dyer@addisonairport.net

- MEMORANDUM -

To: Lisa Pyles
From: Bill Dyer
CC: Joel Jenkinson
Date: May 29, 2015
Re: Proposed Conventional Hangar Lease for Commercial Aviation Use
Jani-King International, Inc., Tenant

Airport Management is requesting the Town Council's consideration and consent to the proposed Conventional Hangar Lease for Commercial Aviation Use (the "Lease") by and between the Town of Addison as the Landlord and Jani-King, International, Inc. ("Jani-King"), as the Tenant. The city attorney has reviewed the agreement and finds it acceptable for the Town's purposes.



Jani-King has been a longtime user and tenant in good standing at Addison Airport. They currently have three ground-leased properties along Claire Chennault Drive serving as the location of its Cavanaugh Flight Museum at Addison Airport. They also lease or sublease two other conventional hangars at Addison Airport near the museum along Taxiway Uniform.

Jani-King has been the tenant of the subject premises since May 2007. They have used the facility as a maintenance and aircraft storage facility in support of and in connection with the museum. The proposed lease supersedes and replaces the previous commercial lease with Jani-King, scheduled to expire June 30, 2015.

The demised premises consists of 1.46 acres improved with a 20,500 SF maintenance hangar with approximately 9,000 SF of attached office/shop space constructed in 1958.

The proposed lease is to commence July 1, 2015 and is due to expire June 30, 2017 unless earlier terminated pursuant to the provisions of Section 2.B of the lease. Should the Town need the leased premises for redevelopment purposes, it may early terminate the lease provided it gives Jani-King 120-days' advance written notice of its intended early termination. In such event, the Town has no duty or obligation to offer Jani-King a replacement facility.

Upon the Commencement Date of July 1, 2015, Base Rental will be \$126,444 (\$4.29/BSF/YR) per year payable in twelve monthly equal installments of Ten Thousand Five Hundred Thirty-Seven Dollars and 00/100 (\$10,537.00) on or before the first day of each calendar month over the term of the lease. Upon the anniversary of the Commencement Date and each anniversary thereafter, the Base Rental is subject to a cost of living (CPI) adjustment as provided for in the lease.

The permitted use of the demised premises continues to be limited for customary aircraft storage, maintenance and repair, and the sale of aircraft parts only. Because of the condition of the facility, its limited amenities and other safety considerations, use of the facility for public display, tours or other museum-related activities for the benefit of the general public is not permitted without the prior written consent of the Airport Director.

Airport Management recommends the Town Council consent to the proposed commercial lease substantially in the form as attached hereto.

STATE OF TEXAS §
 §
 COUNTY OF DALLAS §

**ADDISON AIRPORT
 CONVENTIONAL HANGAR LEASE
 FOR COMMERCIAL AVIATION USE**

This Addison Airport Conventional Hangar Lease For Commercial Aviation Use (hereinafter referred to as the "Hangar Lease," "Lease," or "Agreement") is made and entered into June, 2015 (the "Effective Date"), by and between the **Town of Addison, Texas**, a home-rule municipality (hereinafter referred to as the "City" or "Landlord") and **Jani-King International, Inc.**, a Texas corporation ("Tenant") (Landlord and Tenant are sometimes referred to herein together as the "parties" and individually as a "party").

WITNESSETH:

WHEREAS, Landlord is the owner of the Addison Airport (hereinafter referred to as the "Airport") located in Dallas County, Texas; and

WHEREAS, the Airport is, as of the Effective Date, operated and managed for and on behalf of the City by URS Energy & Construction, Inc., an Ohio corporation ("URS"), and SAMI Management, Inc., a Texas corporation ("SAMI"), pursuant to their respective operating agreements, as amended or modified, with the City (URS and SAMI, individually and/or collectively, or any other person(s) or entity(ies) authorized by Landlord to operate and/or manage the Airport or any portion thereof or any function related thereto, being hereinafter referred to as "Airport Manager" or "Manager"); and

WHEREAS, Tenant desires to lease that certain hangar located within the Airport known as **Jet Hangar E-COLL Jet 5B**, also sometimes referred to as **Property 005B in the Airport Manager's records and as #A-1 in the FAA approved Airport Layout Plan (ALP)** with the public address known as **4730 George Haddaway Drive**, Addison, Texas 75001 (hereinafter referred to as the "Premises" and more fully described in **Exhibits "A", "B" and "C"** attached hereto and made a part hereof) and Landlord desires to lease the same to Tenant for the Term as defined below; and

WHEREAS, Landlord and Tenant hereby agree to enter into this Hangar Lease under the terms and conditions set forth hereinbelow.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, Landlord and Tenant hereby agree as follows:

1. Lease Grant. Subject to the terms of this Lease, Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord.

This Hangar Lease is given and entered into subject to (i) all federal, state, and local laws, statutes, constitutional provisions, charters (including the City Charter), ordinances, codes (including building and building-related codes), rules, regulations, directives, policies, permits, standards, zoning requirements, orders, grant assurances, grant agreements, court orders, opinions and decisions, and all interpretations of the foregoing, of and/or by any governmental authority, entity, department, branch, or agency (including, without limitation, the Town of Addison, Texas, the State of Texas, the Federal Aviation Administration, the Texas Department of Transportation, the United States Environmental Protection Agency, and the Texas Commission on Environmental Quality, and any successor entities thereto), that are applicable, imposed upon, or related to, whether directly or indirectly, this Lease, the Airport, the Premises, and the use and occupancy thereof, as the same are existing or as they may be amended, modified, enacted, adopted, imposed, or superseded, and including, without limitation, any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed (collectively, "Laws," and "Law" means any of the foregoing), (ii) all restrictive covenants affecting the Premises, (iii) all restrictions, mortgages, deeds of trust, liens,

easements, licenses, leases, and any other encumbrance on or matter affecting the Premises, whether recorded or not, and (iv) and all of the terms, conditions, and provisions of this Hangar Lease.

2. Term:

A. The Term hereof shall commence July 1, 2015 ("Commencement Date"), and shall end on June 30, 2017, unless otherwise terminated as provided for herein (the "Term").

B. Landlord and Tenant hereby acknowledge that Landlord is contemplating the redevelopment of the Premises or a portion thereof in the foreseeable future. In the event Landlord requires the Premises for this purpose, Landlord may terminate this Agreement before the Expiration Date, provided Landlord gives Tenant at least one hundred twenty (120) days' advance written notice of the intended Early Termination Date. Tenant may likewise terminate this Agreement before the Expiration Date, provided Tenant gives Landlord one-hundred twenty (120) days' written notice prior to the intended Early Termination Date. In the event either party delivers notice to the other of its intent to terminate this Agreement prior to the Expiration Date, both parties hereby agree to continue and perform in accordance with the terms and conditions of this Agreement until said Early Termination Date occurs.

C. In the event Landlord gives Tenant written notice of its intent to terminate this Agreement before the Expiration Date as provided for in Paragraph "B" above, Tenant hereby acknowledges and agrees that Landlord has no duty or obligation to offer or otherwise provide Tenant alternative hangar facilities of any magnitude in lieu of or in substitute for the Premises. Upon the occurrence of the Expiration Date or Early Termination Date, Landlord and Tenant have no further duty to the other party except as expressly provided for in this Agreement.

3. Rental & Security Deposit:

A. **Base Rent:** Tenant agrees to pay to Landlord without notice, demand, offset, or deduction, Base Rent of Ten Thousand Five Hundred Thirty-Seven Dollars and 00/100 (10,537.00) to be paid each and every calendar month during the Term, subject to adjustment as provided for herein. The first such monthly installment shall be due and payable on or before July 1, 2015, and each monthly installment thereafter shall be due and payable on or before the first day of each calendar month throughout the Term.

B. **Prorated Rent:** If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord a prorated amount of Base Rent equal to the product of the monthly installment of Base Rent multiplied by a fraction, the (i) numerator of which is the number of days from (and including) the Commencement Date through (and including) the last day of the month that includes the Commencement Date and the (ii) denominator of which is the number of days in that month. The prorated portion of the Base Rent is due on or before the Commencement Date. Payment of Base Rent for any fractional calendar month at the end of the Term shall be similarly prorated.

C. **Additional Rent:** In addition to the Base Rent, Tenant will pay Landlord, as Additional Rent, the amounts set forth in the Utility Expense Reimbursement Addendum attached hereto and incorporated herein as Exhibit D.

D. **Rent:** For purposes of this Lease, "Rent" means Base Rent, Additional Rent, and all other sums that Tenant may owe to Landlord or otherwise be required to pay under this Lease. Landlord shall have the same rights and remedies for non-payment of any Rent as for non-payment of Base Rent. The obligations of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations.

E. **Place of Payment:** Tenant shall deliver all amounts due Landlord under this Lease to the following address or to such other person or place as Landlord may designate in writing:

Addison Airport
c/o Real Estate Manager
16051 Addison Road, Suite 220
Addison, Texas 75001

F. **Method of Payment:** Tenant must pay all Rent timely and without demand, notice, deduction, or offset, except as required by Law or as otherwise provided by this Lease. Tenant shall make payment of all Rent owed by personal or corporate check made payable to "Addison Airport" (or by credit card, electronic transfer or ACH (Automatic Clearing House), if acceptable to Landlord). Cash is not an acceptable form of payment of Rent. If Tenant fails to timely pay any amounts due under this Lease, or if any check of Tenant is returned to Landlord by the institution on which it was drawn for insufficient funds or for any other reason, or if Tenant's credit card is denied more than three times in any twelve-month period (if Landlord authorizes payment by credit card), Landlord, after providing written notice to Tenant, may require Tenant to pay subsequent amounts that become due under this Lease by cashier's check or money order only. Rent, and any other sums or amounts to be paid by Tenant to Landlord under this Lease, shall be deemed to have been paid when Landlord has actually received the negotiable payment.

G. **Late Charges:** If Landlord does not actually receive payment of Rent or any other sums due at the designated place of payment within ten (10) days after the date it is due, Tenant shall pay to Landlord a Late Charge equal to 5% of the amount due to reimburse Landlord for Landlord's cost and inconvenience incurred as a result of Tenant's delinquency. The Late Charge is a cost associated with the collection of Rent and Landlord's acceptance of a Late Charge does not waive Landlord's right to exercise its rights and remedies, including those under Paragraph 24 (Remedies of Landlord) herein.

If Tenant fails to pay (i) any monthly installment of Base Rent due under this Lease by the 10th day of the month when due, or (ii) or any other component of Rent within 10 days after the same is due as specified in this Lease, more than once in any consecutive three (3) month period, Tenant, upon the delivery of written notice to Tenant by Landlord ("Additional Deposit Notice"), shall pay to Landlord an amount equal to the then-current monthly installment of Base Rent (the "Additional Deposit") to be held and applied by Landlord as an addition to the Security Deposit delivered by Tenant and held on account by Landlord upon Tenant's execution of this Lease pursuant to subparagraph 3.H, below. Landlord's requirement of any Additional Deposit shall be in addition to any and all other rights and remedies available to Landlord under this Lease. If Tenant does not deliver the Additional Deposit to Landlord within ten (10) days after the delivery of the Additional Deposit Notice, such failure shall be an event of default under this Lease.

H. **Security Deposit:** Tenant and Landlord acknowledge that Landlord is holding the sum of Nine Thousand Eight Hundred Dollars and 00/100 (\$9,800.00) on behalf of Tenant which said amount is being held on account as Tenant's Security Deposit. Upon execution of this Agreement, Tenant agrees to pay to Landlord Seven Hundred Thirty-Seven Dollars and 00/100 (\$737.00) to bring the Security Deposit held on account to equal one month's rent. Going forward, such Security Deposit shall be equal to one monthly installment of the rent unless otherwise adjusted as provided for in 3.G above.

Tenant shall deposit with Landlord upon execution of this Lease, the sum of Ten Thousand Five Hundred Fifty-seven Dollars and 00/100 (\$10,537.00) to be held by Landlord as Tenant's "Security Deposit". Such Security Deposit shall at least be equal to one monthly installment of Base Rent unless otherwise adjusted as provided for in 3.G. above.

1. If at any time during this Agreement the Security Deposit then held on account by Landlord becomes less than the prevailing monthly installment of Base Rent, Tenant will make an additional payment to Landlord so that the Security Deposit held by Landlord is increased to equal one monthly installment of Base Rent, unless otherwise adjusted as provided for in 3.G. above.

2. Landlord shall hold such Security Deposit without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease. Landlord may commingle the Security Deposit with Landlord's other funds, and no trust relationship is created with respect to the Security Deposit. Tenant shall not assign, otherwise transfer, or encumber or attempt to assign, otherwise transfer, or encumber the Security Deposit, and Landlord and its successors and assigns shall not be bound by any actual or attempted assignment, other transfer, or encumbrance. Regardless of any assignment, other transfer, or encumbrance of the Security Deposit by Tenant, Landlord may return the Security Deposit to the Tenant.

3. The Security Deposit is not an advance payment of Rent or a measure of liquidated damages in case of default by Tenant. Upon the occurrence of any event of default, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by Law, use the Security Deposit to the extent necessary to make good any arrearages of Rent and any other damage, injury, expense or liability caused to Landlord by such event of default. Following any such application of the Security Deposit, Tenant shall pay

to Landlord, on demand, the amount so applied in order to fully restore the Security Deposit to its required amount.

4. If Tenant is not then in default hereunder, such Security Deposit, less any lawful deductions by Landlord, shall be returned by Landlord to Tenant with an accounting of said deductions taken no later than thirty (30) days following the termination or expiration of this Hangar Lease. Permitted deductions from the Security Deposit may include but not be limited to: unpaid Base Rent; unpaid utility charges incurred by Tenant; unpaid service charges; damages by Tenant to the Premises (beyond normal wear and tear) or repairs by Landlord; replacement cost of Landlord's property that was in or attached to the Premises and is missing; cost to replace unreturned keys; agreed reletting charges; Landlord's cost of cleaning the Premises to a broom-swept condition if required; Landlord's cost of removal of any trash or debris left in the Premises; Landlord's cost of the removal and storage of Tenant's personal property left or abandoned by Tenant or otherwise disposed of by Landlord; Landlord's cost of removal of unauthorized vehicles or aircraft left on the Premises; government fees or fines against Landlord because of Tenant; late fees and other costs of collection incurred by Landlord in connection with this Lease; interest that would have been earned by Landlord on unpaid balances; attorneys' fees, court costs and filing fees.

4. Adjustment of Rental: Effective each July 1, (hereinafter referred to as the "Adjustment Date"), the Base Rent due under Paragraph 3.A above shall be adjusted as follows:

A. The Base Rent shall be adjusted to reflect changes in the Consumers' Price Index - All Items for Dallas-Fort Worth, Texas (hereinafter referred to as the "Consumer Price Index"), as quoted in the publication *Consumer Price Index - All Urban Consumers (CPI-U)* for the Dallas-Fort Worth, Texas area which is issued by the U.S. Department of Labor, Bureau of Labor Statistics. The base index is the Consumer Price Index existing on the Commencement Date ("Base Index"). The current index is the Consumer Price Index on the first day of the calendar month preceding the then applicable Adjustment Date (the "Current Index").

B. Beginning with the year that includes the then applicable Adjustment Date, the Base Rent shall be adjusted so that it equals the product of the Base Rent during the first year of this Lease multiplied by a fraction, the numerator of which is the Current Index and the denominator of which is the Base Index, but in no event shall Base Rent ever be decreased below the Base Rent set forth in Paragraph 3.A.

C. In the event that the Consumer Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index approximating the Consumer Price Index as closely as feasible (as reasonably determined by Landlord) shall be substituted therefor.

5. Use of Premises: The Premises shall be used and occupied by Tenant only for Commercial Aviation Use limited to the following (the "Permitted Use"):

The Premises shall be used and occupied by Tenant for any legal commercial aviation use limited to aircraft storage, aircraft maintenance and repair, sale of aircraft and aircraft parts, aircraft charter and rentals and flight instruction subject to the Addison Airport Minimum Standards for Commercial Operators and the Addison Airport Rules and Regulations, which may be amended by the Landlord from time to time.

- Public display, tours or other museum-related activities held opened to the general public is not permitted or authorized without prior written consent of the Airport Director.
- No special events are authorized to take place on the Premises as required by city ordinance and/or the Airport Rules and Regulations without the prior written consent of the City or Airport Director.
- Only those persons directly related to and necessary for Tenant to operate in accordance with its permitted use of the Premises are to be allowed on the Premises at any time.
- No aircraft in the care, custody and control of Tenant is to be left unattended at any time on any portion of the airport common area without prior approval from the Airport Director. When use of the common area is necessary, Tenant shall exercise safe operational practices and not present a hazard or obstruction to any other user of the airport, including but not limited to third-party fuel trucks requiring safe passage to and from the bulk fuel facility.

- Tenant shall keep the Premises free and clear of unnecessary trailers, surplus military equipment, vehicles and aircraft fuselages and any other such apparatus or contraption that serve no direct functional purpose of Tenant's permitted use of the Premises. Those such items deemed to have direct functional purposes must be stored out of public view and within the confines of the building in a safe and orderly manner.
- Only aircraft, aircraft parts, components, tools and/or equipment owned or are the property of Tenant are to be stored on the Premises.
- Tenant shall not use the paint booth without proper valid permits issued by the City. Until such time, the paint booth must remain locked and secured at all times.

For purposes hereof, "Commercial Aviation Use" means the operation of a business enterprise providing aviation-related goods, services, or facilities for a commercial purpose (including, without limitation, any activity by the Tenant securing earning, income, compensation, [including exchange or barter of goods, and services], and/or profit from said activities, whether or not such objectives are accomplished). Tenant shall occupy and use the Premises only for the Permitted Use, and shall comply with all Laws relating to the use, condition, access to, and occupancy of the Premises.

Any use or occupancy of the Premises other than for the purposes set forth above is not permitted at any time without the prior written consent of Landlord.

The Premises shall not be used or occupied for any concession for the sale or distribution of food, drinks, tobacco products, oil, gas, petroleum products or any activity of a similar character. Tenant agrees that no aircraft, vehicle or other equipment will be left unattended at any time outside the boundaries of the Premises or within any common area of the Airport ("common area" having the meaning set forth in Chapter 14 of the City's Code of Ordinances), including the safety areas, operating areas and/or non-obstruction areas of the Airport without the prior written consent of the Airport Manager. Tenant further agrees to cooperate and coordinate with adjacent tenants and the Airport Manager, when necessary (as determined by Landlord), to facilitate and not to obstruct aircraft movement along nearby taxilanes, especially during periods of construction, maintenance and repair of Airport facilities.

The Premises shall not be used for any purpose or activity that (i) constitutes a violation of any Laws; (ii) in Landlord's opinion, creates or would create a nuisance or waste or unreasonably disturb, annoy or interfere with other tenants or users of the Airport; or (iii) increases insurance costs for Landlord.

Tenant acknowledges that Landlord is bound by, and this Lease is subject to, the terms and conditions of any and all Federal Aviation Administration, Texas Department of Transportation, and other grant agreements, grant assurances and regulations regarding the Airport, including, without limitation, any grant, loan, regulation, or agreement under Section 22.055 of the Texas Transportation Code, as amended or superseded, whether now existing or made in the future. Tenant agrees not to act or fail to act in any way or manner that would cause Landlord to be in violation of any of the foregoing.

6. Acceptance of Premises: Tenant acknowledges that Tenant has fully inspected the Premises and accepts the Premises as suitable for the purposes for which the same are leased in their present condition, "**AS IS, WHERE IS, WITH ALL FAULTS AND PATENT AND LATENT DEFECTS**". Without limiting anything in the foregoing, **LANDLORD HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS, AND THERE ARE NO, REPRESENTATIONS, PROMISES, COVENANTS, AGREEMENTS, GUARANTYS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, OF OR AS TO THE CONDITION, QUALITY, QUANTITY, SUITABILITY, MERCHANTABILITY, HABITABILITY OR FITNESS OF THE PREMISES FOR ANY PARTICULAR PURPOSE WHATSOEVER GIVEN IN CONNECTION WITH THIS LEASE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS OR ANY OTHER LAWS.**

TENANT ALSO ACKNOWLEDGES AND AGREES THAT TENANT'S INSPECTION AND INVESTIGATION OF THE PREMISES HAVE BEEN ADEQUATE TO ENABLE TENANT TO MAKE TENANT'S OWN DETERMINATION WITH RESPECT TO THE SUITABILITY OR FITNESS OF THE PREMISES, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO SOIL CONDITIONS,

AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, AND ANY OTHER LAWS.

TENANT ACKNOWLEDGES THAT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH 6 ARE AN INTEGRAL PORTION OF THIS LEASE AND THAT LANDLORD WOULD NOT AGREE TO LEASE THE PREMISES TO TENANT AS SET FORTH HEREIN WITHOUT THE DISCLAIMERS, AGREEMENTS AND OTHER STATEMENTS SET FORTH IN THIS PARAGRAPH 6. TENANT FURTHER ACKNOWLEDGES THAT TENANT IS NOT IN A DISPARATE BARGAINING POSITION WITH RESPECT TO LANDLORD. TENANT ACKNOWLEDGES AND AGREES FURTHER THAT THIS LEASE IS SUBJECT TO ANY AND ALL CURRENTLY EXISTING TITLE EXCEPTIONS OR OTHER MATTERS OF RECORD OR VISIBLE OR APPARENT FROM AN INSPECTION AFFECTING THE PREMISES.

7. Securing Governmental Approvals and Compliance with Law; Noise Abatement:

A. Tenant, at Tenant's sole cost and expense, shall obtain any and all governmental licenses, permits and approvals required for the use and occupancy of the Premises, as set forth in Paragraph 5 above, including but not limited to the issuance of a valid Certificate of Occupancy prior to Tenant occupying the Premises pursuant to Paragraph 44 hereinbelow.

B. Tenant shall promptly comply with all governmental orders and directives and all other Laws for the correction, prevention and abatement of nuisances caused by Tenant and arising out of the use and occupancy of the Premises, as set forth in Paragraph 5 above

C. Tenant shall comply with noise abatement standards at the Airport and shall notify any aircraft operator using the Premises of such standards.

8. Assignment and Subletting:

A. Without the prior written consent of Landlord, Tenant shall have no power to and shall not, either voluntarily or involuntarily, by operation of law or otherwise, assign, sell, pledge, encumber, mortgage, license, transfer, or otherwise convey (together, "assign" or "assignment," and any person or entity to whom an assignment is made being an "assignee") this Lease or any rights or obligations of Tenant hereunder, or sublet the whole or any part of the Premises. Any such assignment or any subletting, without the prior written consent of Landlord, shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) an event of default under Paragraph 23 (Default by Tenant) of this Lease. For the purposes hereof, an assignment will be deemed to have also occurred if the person(s) who owns or has voting control of 51% or more of Tenant on the Effective Date of this Hangar Lease ceases to own or have voting control of 51% or more of Tenant at any time during the term of the Hangar Lease. From time to time as requested by Landlord, Tenant shall provide to Landlord, in a form acceptable to Landlord, a written certification as to the ownership of voting securities or voting control of Subtenant. For the purposes hereof, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or partnership interests, by contract, or otherwise.

Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any Landlord-approved assignment or subletting, Tenant shall not assign this Lease or sublet the Premises without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to be bound by the terms and provisions of this Hangar Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by Law, may, at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder. Landlord's consent to any assignment or subletting will not waive its rights or remedies, and it will not stop Landlord from exercising its rights or remedies, with respect to any other actual or proposed assignment or subletting, and Landlord's consent to any assignment or subletting will not relieve Tenant or any guarantor of Tenant hereunder of any liability to Landlord under this Lease or otherwise.

B. Notwithstanding the foregoing, Landlord hereby acknowledges and consents to Tenant's subletting of the Premises for the purpose of renting hangar space for aircraft storage only, provided that each sublease is 1) made available for Landlord's review and inspection during Tenant's normal business hours upon Landlord's written request, and 2) evidenced by written agreement, signed and executed by Tenant and the subtenant, and has incorporated therein and fairly states that:

1. each subtenant agrees to be bound by the terms and provisions of this Hangar Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any conflict between the terms of this Hangar Lease and the terms of the sublease, the terms of the Hangar Lease shall control;
2. no such subletting shall constitute a novation.
3. in the event of occurrence of an event of default while the Premises are sublet, Landlord, in addition to any other rights or remedies provided herein or by Law, in equity, or otherwise, may, at Landlord's option, collect directly from such subtenant all rents becoming due under such subletting and apply such rent against any sums due to Landlord under this Lease;
4. subtenant shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under this Hangar Lease;
5. any such sublease is to automatically terminate upon termination of this Hangar Lease notwithstanding any other provision of the sublease to the contrary;
6. Landlord shall have no responsibility or obligation for the performance by subtenant of its obligations under the sublease; and
7. neither this consent, the exercise by Landlord of its rights and/or remedies hereunder, nor the sublease or any other instrument shall give subtenant any rights, directly or indirectly, against Landlord or create or impose any obligation, duty, responsibility, or liability of Landlord in favor of or for the benefit of subtenant.

Further, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under this Hangar Lease; that this consent does not constitute approval by Landlord of the terms of any such sublease; that nothing herein contained shall be deemed a waiver or release of any of the Landlord's rights under this Hangar Lease; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under this Hangar Lease including, without limitation, the duty to make any and all payments of Rent. Any violation of any terms and conditions of this Hangar Lease by a subtenant will constitute a default by Tenant under this Hangar Lease.

Upon Landlord's written request, Tenant shall provide to Landlord the names and addresses of any subtenants, and the make, model, aircraft type and "N" number of any aircraft stored or located on or in the Premises by Tenant or any subtenant.

9. Property Taxes and Assessments: Tenant shall pay, before they become delinquent, any and all property taxes or assessments, and any other governmental charges, fees or expenses, levied or assessed on: (i) all improvements, fixtures, equipment or personal property comprising a part of or located upon the Premises; and (ii), the leasehold estate of Tenant created hereby (hereinafter referred to as "Tenant's Taxes"). Upon the request of Landlord, Tenant shall, from time to time, furnish to Landlord "paid receipts" or other written evidence that all of Tenant's Taxes have been paid by Tenant. If any of Tenant's Taxes are included in tax notices and, or statements delivered to Landlord, Tenant has the right to legally protest or appeal, as provided for by Law, any tax levy or assessment of Tenant's Taxes provided Landlord has not already filed or does not intend to file such protest or appeal of (i) the appropriateness of such tax and, or (ii) the taxable value as assessed by the respective taxing authority. If any of Tenant's Taxes are included in tax statements delivered to Landlord, Tenant shall pay to Landlord that portion representing Tenant's Taxes within ten (10) days after Tenant's receipt of an invoice from Landlord accompanied by evidence of Landlord's computation of the portion thereof representing Tenant's Taxes. In the event Tenant fails to pay any Tenant's Taxes, Landlord shall have the right (but not the obligation) to pay or cause to be paid such Tenant's Taxes, and the costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Paragraph 40 of this Lease shall be paid by Tenant on demand.

10. Maintenance and Repair of Premises:

A. Landlord shall, throughout the term hereof, except as otherwise expressly provided in this Lease and so long as Tenant is not in default of this Agreement beyond any applicable cure period, be responsible for those areas, items and matters identified in the "Landlord" column as set forth in Exhibit E, Maintenance and Repair Responsibilities, to this Agreement, which Exhibit is attached hereto and incorporated herein by reference. Landlord shall not be responsible for Tenant's or any third party's equipment, fixtures, or personal property comprising a part of or located upon the Premises.

B. Except as provided by subparagraph A. of this Paragraph 10, Tenant shall, to the Landlord's satisfaction, maintain the Premises in good order, condition and repair throughout the term of this Lease including, but not limited to, those areas, items and matters identified under the "Tenant" column set forth in the attached Exhibit E to this Agreement. Tenant shall be responsible for any alterations, additions or improvements made by Tenant to the Premises and/or any improvements thereon or therein. Tenant shall, throughout the term hereof, be responsible for all consumable supplies and repair of plumbing and water damage caused as a result of Tenant's failure to reasonably protect water pipes from freezing temperatures or misuse by Tenant or by Tenant's owners, employees, agents, contractors, guests or invitees. Tenant shall be responsible for keeping the Premises free from waste and nuisance and shall, upon the expiration of the Lease Term, or any earlier termination of this Lease or any repossession of the Premises by Landlord, deliver the Premises clean and free of trash and in good condition and repair, with all fixtures and equipment situated in or upon the Premises in the same condition as same existed on the Commencement Date, with reasonable wear and tear excepted.

Notwithstanding anything in this Lease to the contrary, Tenant shall bear the risk of complying with the Americans With Disabilities Act of 1990, any other federal or any state laws governing handicapped access or architectural barriers, and all rules, regulations, and guidelines promulgated under such Laws, as amended from time to time, in or pertaining to the Premises.

C. In the event Tenant fails to so maintain or repair the Premises and/or the improvements, fixtures, equipment and personal property comprising a part of or located upon the Premises, and/or otherwise fails to comply with any of the provisions of subparagraph B. or D. of this Paragraph or any other provision of this Lease requiring Tenant to maintain or repair the Premises or keep them in a particular condition, Landlord shall have the right (but not the obligation) to cause all such repairs or other maintenance or work to be made, and the reasonable costs therefor expended by Landlord plus interest thereon as provided in Paragraph 40 shall be paid by Tenant to Landlord on demand.

D. If Tenant handles or stores flammable materials on the Premises, Tenant agrees to maintain proper safeguards with respect thereto and to comply with all requirements of Landlord's and Tenant's insurance companies and/or governmental authorities with respect to the storage, use and disposal of such materials, and with all applicable Laws.

11. Alterations, Additions and Improvements: Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the Premises, without the prior written consent of Landlord. Landlord shall not unreasonably withhold its consent for non-structural alterations, additions or improvements. Tenant shall have the right to erect or install shelves, bins, machinery, and trade fixtures, provided that Tenant complies with all applicable Laws in connection therewith. All alterations, additions and improvements in and to the Premises shall be performed in accordance with the terms and provisions of this Lease, with all Laws, and in a first-class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection therewith.

12. Insurance:

A. Tenant shall procure and maintain throughout the Term, without interruption, a policy or policies of insurance, at Tenant's sole cost and expense, to meet or exceed the insurance requirements specified in the then prevailing Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers (the "Airport Minimum Standards") which may be amended or modified by the City from time to time. At any time over the Term the Airport Minimum Standards are either suspended, repealed or otherwise modified to the extent Tenant's use and occupancy of the Premises no longer require such insurance policies under the Airport Minimum Standards, Tenant shall procure and maintain throughout the Term, without interruption, the following insurance policies:

1. Commercial General Liability insurance against claims for bodily injury, death or property damage or destruction occurring on, in or about the Premises, with limits of liability of not less than \$1,000,000 for each occurrence, CSL/\$1,000,000 general aggregate. Coverage shall include blanket contractual liability for liability assumed under this Lease.

2. Workers Compensation insurance and employer's liability with limits of liability of not less than \$1,000,000.

3. Hangarkeepers Legal Liability insurance at limits of \$1,000,000 per occurrence is required if Tenant is engaged in maintenance, repair or servicing of aircraft belonging to any third party, or if Tenant is otherwise involved in any operation in which Tenant has care, custody or control of an aircraft that belongs to a third party.

4. Aircraft Liability insurance for all Tenant-owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 and \$1,000,000 for personal and advertising injury.

B. All insurance policies required under this Paragraph 12 shall be endorsed to provide the following, as applicable: (i) in all liability policies, name as additional insureds the Town of Addison, Texas, URS Energy & Construction, Inc. (an Ohio corporation), and SAMI Management, Inc. (a Texas corporation) (and/or such other person or entity that may be the Airport Manager) and their respective officials, officers, agents, and employees; (ii) in all liability policies, provide that such policies are primary insurance regardless of the application of any other insurance available to the additional insureds, with respect to any claims arising out of activities conducted under this Lease, and that insurance applies separately to each insured against whom a claim is made or suit is brought; and (iii) a waiver of subrogation in favor of the Town of Addison, Texas, URS Energy & Construction, Inc. (an Ohio corporation) and SAMI Management, Inc. (a Texas corporation) (and/or such other person or entity that may be the Airport Manager), and their respective officials, officers, agents, and employees, must be included in all liability and Workers Compensation policies. All such policies shall be issued by an insurance company authorized to do business in Texas and in the standard form approved by the Texas Department of Insurance, if required, and shall be endorsed to provide for at least 30 days' advance written notice to Landlord of a material change in, non-renewal, or cancellation of a policy. Certificates of insurance, satisfactory to Landlord, evidencing all coverage above, shall be furnished to Landlord prior to the Commencement Date, with complete copies of policies furnished to the Landlord upon request. Landlord reserves the right to review and revise from time to time the types of insurance and limits of liability required herein.

13. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures, fixtures and equipment, or any other improvements, on or at the Premises, or any part thereof, Tenant shall promptly give written notice thereof to Landlord, generally describing the nature and extent of such damage and/or destruction.

B. If the Premises (the hangar building or structure, excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any assignee, subtenant or other occupant of the Premises) should be substantially, totally, or partially destroyed or damaged by fire, tornado or other casualty, this Lease shall not terminate, but Landlord may, at Landlord's sole option and at Landlord's sole cost, expense and risk, proceed forthwith and use reasonable diligence to rebuild or repair the Premises (the hangar building or structure, but excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant or user of the Premises) to substantially the condition in which it existed prior to such destruction or damage; provided, however, that if Landlord elects not to rebuild or repair such damage or destruction and notifies Tenant in writing of such election, then this Lease shall terminate and rent shall be abated for the unexpired portion of this Lease, effective from the date of actual receipt by Landlord of the written notification of the damage or destruction from Tenant. If Landlord elects to rebuild or repair the Premises and the Premises are untenantable in whole or in part following such destruction or damage, during the period of such rebuilding or repair the Rent payable hereunder shall be equitably adjusted for that period during which the Premises are untenantable. However, if the destruction or damage was caused by the negligence, gross negligence, or willful or wanton act or omission of Tenant, or any of Tenant's officers, employees, agents, subtenants, licensees, contractors, subcontractors, or invitees, or any other person for whom Tenant is responsible, Rent shall not be abated and Tenant shall have the continuing obligation to pay Rent during the period of such rebuilding or repair.

If Landlord elects to rebuild or repair the Premises (the hangar building or structure) as set forth above, Tenant shall, immediately upon notice from Landlord, remove from the Premises its equipment and property as reasonably required by Landlord to complete such rebuilding or repair. Upon the completion of such rebuilding or repair, Tenant shall restore the Premises and Tenant's property and promptly reopen for business. Tenant shall use the proceeds from Tenant's insurance policies for restoration of improvements made by Tenant to the Premises, for restoration and/or replacement of Tenant's equipment, trade fixtures, and inventory, and to cover any business interruption loss.

C. Landlord's election to pay for the cost of the repair or rebuilding of the Premises (the hangar building or structure) or any part thereof may, at Landlord's option, not extend beyond or exceed the proceeds of any casualty or property damage insurance payable and actually collected in connection with such damage or destruction. All insurance proceeds, if any, payable on account of such damage or destruction shall be held and retained by Landlord (whether or not such repair or rebuilding occurs or this Lease terminates).

14. Condemnation:

A. If, during the term hereof, any part of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or is sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Premises is not susceptible to efficient and economic occupation and operation by Tenant, this Lease shall automatically terminate as of the date said condemning authority takes possession of the Premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If, after such taking by or sale to said condemning authority, the remainder of the Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the Base Rent due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the Term hereof the sum obtained by multiplying each monthly Base Rent installment due hereunder (as adjusted from time to time pursuant to Paragraph 4, above) by a fraction, the numerator of which shall be the number of square feet remaining in the Premises after the taking by or sale to said condemning authority and the denominator of which shall be the square footage originally contained in the Premises. The Base Rent adjustment called for herein shall either not commence or be suspended until said condemning authority actually takes possession of the condemned portion of the Premises. All other terms and provisions shall remain unchanged unless otherwise provided for herein.

C. Landlord shall receive the entire award or payment from any condemnation and Tenant shall have no claim to that award or for the value to Landlord of any unexpired term of this Lease; provided, however, that Tenant shall have the right to appear in any condemnation proceeding or action to negotiate, prosecute and adjust any claim attributable to loss or damage to Tenant's trade fixtures and removable personal property, removal or relocation costs, and any loss to Tenant resulting from the unexpired portion of the Lease Term. If this Lease is not terminated pursuant to subparagraph A of this Paragraph, Landlord shall repair damage to the Premises caused by the condemnation (excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant of the Premises), except that (i) Landlord shall not be obligated to repair any damage for which Tenant has been reimbursed by the condemning authority; and (ii) if the condemnation damages or payments received by Landlord are not sufficient to pay for such repair, Landlord shall have the right to terminate this Lease.

15. Utilities: Except where provided to the contrary below, Tenant shall be responsible, at Tenant's sole cost and expense, for obtaining all utility connections at or for the Premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, impact fees, tap-in fees and services furnished to the Premises during the term hereof. Tenant agrees to contact all utility service providers prior to any excavation or digging on the Premises or the premises in and around the Premises. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

A. Notwithstanding the foregoing, Landlord and Tenant hereby acknowledge and agree to the terms and conditions contained in Exhibit D – Utility Expense Reimbursement Addendum attached hereto and incorporated herein by reference wherein it sets forth which utility services will be provided and paid for by the Landlord and subsequently reimbursed by Tenant upon demand.

B. If Tenant is the responsible party for obtaining any of the utility connections at or for the Premises, any access or alterations to the Premises or to the Airport necessary to obtain any of such utility connections may be made only with Landlord's prior consent and at Tenant's sole expense.

C. In the event Tenant fails to pay any utility or connection charges for which Tenant is responsible, Landlord shall have the right (but not the obligation) to pay or cause to be paid such charges, fees or expenses, incurred by Tenant and the costs thereof expended by or caused to be expended by Landlord plus interest thereon as provided in Paragraph 40 of this Lease shall be paid by Tenant upon written demand.

D. Prior to executing this Lease Tenant acknowledges that it has, at its sole costs and expense, determined that all necessary utilities are available to the Premises and are adequate for Tenant's intended commercial use, and that there are no other utility services needed or required by Tenant at the Premises in connection herewith.

E. Landlord shall in no event be liable or responsible for any cessation or interruption in any utility services to the Premises.

16. Common Facilities:

A. So long as Tenant is not in default hereunder beyond any applicable cure period, Tenant and Tenant's owners, employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord at the Airport for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the Premises, other Airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport ("Common Facilities"). All such Common Facilities shall at all times be under the exclusive control and management of Landlord and may be rearranged, modified, changed, restricted, closed, or terminated from time to time at Landlord's sole discretion.

B. Access Gates, Access Easements: (*Intentionally Left Blank*)

17. Special Events: Landlord may sponsor or hold certain special events, including, but not limited to, air shows and fireworks displays to be conducted on portions of the Airport, which may limit or obstruct access to the Premises and/or to the Airport ("Special Events"). As a material inducement to Landlord to enter into this Lease, and notwithstanding anything to the contrary contained herein, Tenant, on behalf of Tenant and on behalf of all directors, officers, shareholders, partners, principals, employees, agents, contractors, subtenants, licensees or concessionaires of Tenant, and on behalf of any other party claiming any right to use the Leased Premises by, through or under Tenant, hereby: (i) agrees that Landlord has the right to sponsor any or all Special Events and to allow use of portions of the Airport therefor even if the same limit or obstruct access to the Premises and/or to the Airport; (ii) releases, waives and discharges Landlord and Manager, and their respective officials, officers, employees and agents, from all liability for any loss, damage, cost, expense or claim arising or resulting from or pertaining to the limitation or obstruction of access to the Premises and/or to the Airport from the conduct of Special Events and/or activities relating or pertaining thereto, including, without limitation, death, injury to person or property or loss of business or revenue (the "Released Claims"); (iii) covenants not to sue the Landlord or Manager or their respective officials, officers, employees and agents (whether in their official or private capacities) for any Released Claims; (iv) agrees that the terms contained in this Paragraph are intended and shall be construed to be as broad and inclusive as possible under Law; and (v) agrees that if any portion of this Paragraph is held to be invalid or unenforceable, the remainder of this Paragraph shall not be affected thereby, but shall continue in full force and effect.

18. Rules and Regulations: Landlord has adopted the Airport Minimum Standards (as defined in Paragraph 12.A., above) and the "Addison Airport Rules and Regulations" (the "Rules and Regulations") which shall govern Tenant's use of and conduct on the Premises and all Common Facilities, a copy of which has been or will be furnished to Tenant. The Airport Minimum Standards and the Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with them. Landlord shall have and reserves the right, in its sole discretion, to discontinue, amend, modify and alter the Airport Minimum Standards and the Rules and Regulations from time to time, and to adopt other rules, standards, or regulations applicable to the Airport, the Premises and Tenant as Landlord may deem necessary or appropriate, in its sole discretion, including for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other tenants, users, and customers of the Airport.

19. Signs and Equipment: After first securing Landlord's approval, Tenant shall have the right from time to time to install signs depicting Tenant's name and to operate radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the Premises that may be reasonably necessary for the operation of Tenant's business, provided such signs and equipment are installed and maintained in compliance with all applicable governmental Laws, and all changes to such Laws, including the Town of Addison's sign ordinance, with the Airport Minimum Standards and the Rules and Regulations, with all provisions of this Lease, and do not interfere with the operation of any navigation facilities or Airport communications (including, without limitation, navigation facilities or Airport communications used or operated by the Federal Aviation Administration).

20. Landlord's Right of Entry: Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Premises: (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the Premises to any prospective tenant, purchaser, or lender, or (iv) for any other reasonable and lawful purpose. Landlord and Landlord's authorized representatives have the right to enter the Premises at any time in the event of an emergency pertaining to the Premises. During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the Premises customary signs advertising the Premises for lease.

21. Indemnity and Exculpation and Release:

A. Exculpation. THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS AND THE MANAGER PERSONS (FOR PURPOSES OF THIS SUBPARAGRAPH A, AS THE TERMS "ADDISON PERSONS" AND "MANAGER PERSONS" ARE DEFINED IN SUBPARAGRAPH B BELOW), SHALL NOT BE LIABLE TO TENANT OR TO ANY TENANT PERSONS (FOR PURPOSES OF THIS SUBPARAGRAPH A, AS THE TERM "TENANT PERSONS" IS DEFINED IN SUBPARAGRAPH B BELOW), OR TO ANY OTHER PERSON WHOMSOEVER, FOR ANY DEATH OR INJURY TO PERSONS OR DAMAGE TO OR DESTRUCTION OF PROPERTY OR ANY OTHER HARM ON OR ABOUT THE PREMISES OR ANY ADJACENT AREA OWNED BY LANDLORD CAUSED BY OR RESULTING FROM ANY ACT OR OMISSION OF TENANT OR ANY TENANT PERSONS OR ANY OTHER PERSON ENTERING THE PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT OR ANY TENANT PERSONS, OR ARISING OUT OF THE USE OR OCCUPATION OF THE PREMISES BY TENANT OR BY ANY TENANT PERSONS, IN THE PERFORMANCE OF TENANT'S OBLIGATIONS HEREUNDER.

B. Tenant's Indemnity Obligation. TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY AND HOLD HARMLESS (I) THE TOWN OF ADDISON, TEXAS, AND THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, AND VOLUNTEERS OF THE TOWN OF ADDISON, TEXAS, INDIVIDUALLY OR COLLECTIVELY, IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES (THE TOWN OF ADDISON, TEXAS, AND THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, REPRESENTATIVES, AND VOLUNTEERS OF THE TOWN OF ADDISON, TEXAS EACH BEING AN "ADDISON PERSON" AND COLLECTIVELY THE "ADDISON PERSONS") AND (II) AIRPORT MANAGER AND AIRPORT MANAGER'S OWNERS, OFFICERS, EMPLOYEES AND AGENTS (AIRPORT MANAGER AND AIRPORT MANAGER'S OWNERS, OFFICERS, EMPLOYEES AND AGENTS EACH BEING A "MANAGER PERSON" AND COLLECTIVELY THE "MANAGER PERSONS"), FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, PROCEEDINGS, CAUSES OF ACTION, DEMANDS, LOSSES, LIENS, HARM, DAMAGES, PENALTIES, FINES, LIABILITIES, EXPENSES, LAWSUITS, JUDGMENTS, COSTS, AND FEES (INCLUDING REASONABLE ATTORNEY FEES AND COURT COSTS) OF ANY KIND AND NATURE WHATSOEVER MADE UPON, INCURRED BY, SUFFERED BY, OR ASSERTED AGAINST ANY ADDISON PERSON OR ANY MANAGER PERSON OR THE PREMISES, WHETHER DIRECTLY OR INDIRECTLY, (COLLECTIVELY FOR PURPOSES OF THIS SUBPARAGRAPH B, "DAMAGES"), THAT RESULT FROM, RELATE TO, OR ARISE OUT OF, IN WHOLE OR IN PART, (I) ANY CONDITION OF THE PREMISES CAUSED IN WHOLE OR IN PART BY TENANT OR BY ANY OF TENANT'S OWNERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MANAGERS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, TENANTS, LICENSEES, INVITEES, PATRONS, CONCESSIONAIRES, OR ANY OTHER PERSON OR ENTITY FOR WHOM TENANT IS LEGALLY RESPONSIBLE, AND THEIR RESPECTIVE OWNERS, DIRECTORS, SHAREHOLDERS, PARTNERS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, TENANTS, LICENSEES, INVITEES, PATRONS, AND CONCESSIONAIRES, OR ANY OTHER PERSON ACTING BY OR UNDER THE AUTHORITY OR WITH THE PERMISSION OF TENANT, TENANT'S TENANTS, OR ANY OTHER PERSON ENTERING THE PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT DURING THE LEASE TERM (COLLECTIVELY, "TENANT PERSONS"), (II) ANY CONSTRUCTION ON OR REPAIR TO THE PREMISES, OR THE PREMISES BECOMING OUT OF REPAIR DUE TO THE FAULT OF TENANT OR ANY TENANT PERSONS, FOR ANY

REASON INCLUDING BY FAILURE OF EQUIPMENT, PIPES, OR WIRING, OR BROKEN GLASS, OR BY THE BACKING UP OF DRAINS, OR BY GAS, WATER, STEAM, ELECTRICITY OR OIL LEAKING, ESCAPING OR FLOWING INTO THE PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNESS OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING, (III) REPRESENTATIONS OR WARRANTIES BY TENANT UNDER THIS LEASE, AND/OR (IV) ANY ACT OR OMISSION OF TENANT OR ANY TENANT PERSONS UNDER, IN CONNECTION WITH, OR IN THE PERFORMANCE OF, THIS LEASE. SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

TENANT SHALL PROMPTLY ADVISE LANDLORD IN WRITING OF ANY CLAIM OR DEMAND AGAINST THE TOWN OF ADDISON, ANY OTHER ADDISON PERSON, ANY MANAGER PERSON, OR TENANT OR ANY TENANT PERSON RELATED TO OR ARISING OUT OF TENANT'S ACTIVITIES UNDER THIS LEASE AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT TENANT'S SOLE COST AND EXPENSE. THE ADDISON PERSONS AND MANAGER PERSONS, AS THE CASE MAY BE, SHALL HAVE THE RIGHT, AT THE ADDISON PERSONS' OR MANAGER PERSONS' (AS THE CASE MAY BE) OPTION AND AT THEIR OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING TENANT OF ANY OF ITS OBLIGATIONS HEREUNDER.

C. **Release.** TENANT HEREBY RELEASES THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS (AS THE TERM "ADDISON PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS PARAGRAPH 21) AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS PARAGRAPH 21) FROM, AND AGREES THAT THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS, AND AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS, SHALL NOT BE LIABLE TO TENANT OR ANY TENANT PERSONS (AS THE TERM "TENANT PERSONS" IS DEFINED IN SUBPARAGRAPH B. OF THIS PARAGRAPH 21) FOR (I) ANY DEATH OR INJURY TO ANY PERSON OR PERSONS OR DAMAGE TO OR DESTRUCTION OF PROPERTY OF ANY KIND RESULTING FROM THE PREMISES BECOMING OUT OF REPAIR OR BY DEFECT IN OR FAILURE OF EQUIPMENT, PIPES, OR WIRING, OR BROKEN GLASS, OR BY THE BACKING UP OF DRAINS, OR BY GAS, WATER, STEAM, ELECTRICITY OR OIL LEAKING, ESCAPING OR FLOWING INTO THE PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNESS OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING OR FOR ANY OTHER REASON WHATSOEVER, AND FOR (II) ANY LOSS OR DAMAGE THAT MAY BE OCCASIONED BY OR THROUGH THE ACTS OR OMISSIONS OF OTHER TENANTS OF LANDLORD OR CAUSED BY OPERATIONS IN CONSTRUCTION OF ANY PRIVATE, PUBLIC OR QUASI-PUBLIC WORK.

D. THE PROVISIONS OF THIS PARAGRAPH 21 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

22. Environmental Compliance:

A. No Storage or Disposal: Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit, allow, or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant or by any Tenant Persons) on the Premises or any portion of the Common Facilities, any: (a) asbestos in any form; (b) urea formaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq., as amended or superseded), the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601 et seq., as amended or superseded), the Hazardous Materials Transportation Act (49 U.S.C. §5101 et seq., as amended or superseded), the Toxic Substances Control Act (15 U.S.C. §2601 et seq., as amended or superseded), the Clean Air Act (42 U.S.C. §7401 et seq., as amended or superseded), and/or the Clean Water Act (33 U.S.C. §1251 et seq., as amended or superseded) (and any regulations promulgated pursuant to the foregoing Laws), or any other federal, state, county, regional, local or other governmental Laws, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Premises and/or any portions of the Common Facilities, and which is either: (i) in amounts in excess of that permitted or deemed safe under applicable Law; or (ii) in any manner which is prohibited or deemed unsafe under applicable Law. (The substances referred to in the foregoing (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws; Tenant's Indemnity Obligation:

1. Tenant shall, at Tenant's sole cost and expense, comply with any presently existing or hereafter enacted Laws (including all rules, standards, regulations, or policies relating to Hazardous Materials (collectively, "Cleanup Laws")). In furtherance and not in limitation of the foregoing, Tenant shall, at Tenant's sole cost and expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Cleanup Laws. Should any Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of the existence of Hazardous Materials which were installed, stored, used, treated, transported, disposed of or discharged on the Premises and/or any portion of the Common Facilities by (i) Tenant, or by (ii) any of Tenant's owners, directors, shareholders, partners, managers, officers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, concessionaires, or any other person or entity for whom Tenant is legally responsible, and/or their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires, or by (iii) any person acting by or under the authority or with the permission of Tenant, Tenant's tenants, or any other person entering the Premises under express or implied invitation of Tenant during the Term of this Lease, Tenant shall, at Tenant's own cost and expense, prepare and submit the required plans and financial assurances and carry out the approved plans in accordance with such Cleanup Laws and to Landlord's satisfaction. At no cost or expense to Landlord, Tenant shall promptly provide all information requested by Landlord for preparation of affidavits or other documents required by Landlord to determine the applicability of the Cleanup Laws to the Premises and/or any portion of the Common Facilities, as the case may be, and shall sign the affidavits promptly when requested to do so by Landlord.

2. **Tenant's Indemnity Obligation.** WITHOUT LIMITING ANY OTHER INDEMNITY, HOLD HARMLESS, AND DEFENSE OBLIGATION OF TENANT SET FORTH IN THIS LEASE, TENANT AGREES TO AND SHALL FULLY DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO LANDLORD), INDEMNIFY, AND HOLD HARMLESS THE TOWN OF ADDISON, TEXAS AND ALL OTHER ADDISON PERSONS (AS THE TERM "ADDISON PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE), AND THE MANAGER PERSONS (AS THE TERM "MANAGER PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE), FROM AND AGAINST, AND REIMBURSE THE TOWN OF ADDISON, TEXAS, ALL OTHER ADDISON PERSONS, THE AIRPORT MANAGER AND ALL OTHER MANAGER PERSONS (AS THE CASE MAY BE) FOR, ANY AND ALL OBLIGATIONS, DAMAGES, INJUNCTIONS, FINES, PENALTIES, DEMANDS, CLAIMS, COSTS, FEES, CHARGES, EXPENSES, ACTIONS, CAUSES OF ACTION, JUDGMENTS, LIABILITIES, SUITS, PROCEEDINGS, HARM, AND LOSSES OF WHATEVER KIND OR NATURE (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS), AND ALL CLEANUP OR REMOVAL COSTS AND ALL ACTIONS OF ANY KIND, MADE UPON, INCURRED BY, SUFFERED BY, OR ASSERTED AGAINST ANY ADDISON PERSON OR ANY MANAGER PERSON OR THE PREMISES, WHETHER DIRECTLY OR INDIRECTLY, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN, ON, UNDER, ABOVE, OR TO THE PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES OR ANY PORTION OF THE AIRPORT OR ADJACENT PROPERTIES BY TENANT OR BY ANY TENANT PERSONS (AS THE TERM "TENANT PERSONS" IS DEFINED IN SUBPARAGRAPH B OF PARAGRAPH 21, ABOVE); AND FROM ALL FINES, PENALTIES, SUITS, JUDGMENTS, PROCEDURES, PROCEEDINGS, CLAIMS, ACTIONS, AND CAUSES OF ACTION OF ANY KIND WHATSOEVER ARISING OUT OF TENANT'S OR ANY OF TENANT PERSONS' FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY THE AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER LAW, RULES, REGULATION, STANDARD, ORDER, OR POLICY (ENVIRONMENTAL OR OTHERWISE). SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS, OR BY ANY ACT OR OMISSION OF OR BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

TENANT'S OBLIGATIONS AND LIABILITIES UNDER THIS SUBPARAGRAPH SHALL CONTINUE (AND SURVIVE THE TERMINATION OR EXPIRATION OF THIS LEASE) SO LONG AS THERE MAY BE HAZARDOUS

MATERIALS AT THE PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES OR ANY PORTION OF THE AIRPORT OR ADJACENT PROPERTIES, THAT WERE INSTALLED, STORED, USED, TREATED, TRANSPORTED, DISPOSED OF OR DISCHARGED DURING THE LEASE TERM BY TENANT OR ANY OF TENANT PERSONS. IN ADDITION TO AND NOT IN LIMITATION OF LANDLORD'S OTHER RIGHTS AND REMEDIES, TENANT'S FAILURE TO ABIDE BY THE TERMS OF THIS PARAGRAPH 22 SHALL BE RESTRAINABLE BY INJUNCTION.

C. Environmental Notices: Tenant shall promptly supply Landlord and Airport Manager with copies of any notices, correspondence and submissions made by Tenant to or received by Tenant from any governmental authorities of the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, the FAA, TxDOT, or any other local, state or federal authority that requires submission of any information concerning environmental matters or Hazardous Materials.

D. Survival: Tenant's obligations and liability pursuant to the terms of this Paragraph 22 shall survive the expiration or earlier termination of this Lease.

23. Default by Tenant: Each of the following shall be deemed to be an event of default by Tenant under this Lease:

A. Failure of Tenant to pay any installment of Rent, or to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, insurance premiums, or any other sum payable to Landlord hereunder, on the date that same is due, and such failure shall continue thereafter for a period of ten (10) days (the "10-day Grace Period") and such failure shall not be cured within ten (10) days after written notice thereof (the "Cure Period") to Tenant (which Cure Period may overlap, in whole or in part, the 10 day Grace Period).

B. Failure of Tenant to comply with any term, condition or covenant of this Lease (other than the payment of Rent or other sum of money, or the payment of taxes, utilities or insurance premiums, or other payments Tenant is to make under this Lease) and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Tenant shall fail to deliver the Additional Deposit to Landlord within ten (10) days after the delivery by Landlord to Tenant of the Additional Deposit Notice.

D. Tenant, or any guarantor of Tenant hereunder, (i) becomes or is declared insolvent according to any Law, (ii) makes a transfer in fraud of creditors according to any applicable Law, or (iii) assigns or conveys all or a substantial portion of its property for the benefit of creditors.

E. Tenant or any guarantor of Tenant hereunder, files a petition for relief, or is the subject of an order for relief, under the United States Bankruptcy Code, as amended, or any other present or future federal or state insolvency, bankruptcy or similar Laws (collectively "Applicable Bankruptcy Law").

F. Appointment of a receiver or trustee for Tenant (or any guarantor of Tenant hereunder) or Tenant's (or any such guarantor's) property; or the interest of Tenant (or any such guarantor) under this Lease is levied on under execution or under other legal process; or any involuntary petition is filed against Tenant (or any such guarantor) under Applicable Bankruptcy Law (provided, however, that no action described in this subparagraph F. or in subparagraphs D. or E. shall constitute a default by Tenant if Tenant (or any guarantor of Tenant hereunder) shall vigorously contest the action by appropriate proceedings and shall remove, vacate or terminate the action within sixty (60) days after the date of its inception.).

G. Abandonment by Tenant of any substantial portion of the Premises or cessation of use of the Premises for the purposes leased.

H. Tenant is in default of any other lease or agreement with, or any permit or license issued by, the Town of Addison, Texas.

24. Remedies of Landlord: Upon the occurrence of any of the events of default listed in Paragraph 23, Landlord, without prejudice to any legal, equitable, or other (including contractual) right or remedy to which it may be

entitled, shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever (and using lawful force if necessary or appropriate after providing written notice thereof, if any is required):

A. Terminate this Lease or any of Tenant's rights under this Lease, with or without reentering or repossessing the Premises.

B. Terminate Tenant's right to occupy all or any part of the Premises without terminating this Lease and with or without reentering or repossessing the Premises.

C. Recover unpaid rent and any Breach Damages (as "Breach Damages" are defined in this Paragraph 24, below).

D. Change or pick the locks, access codes, or other access control devices, and take any other self-help or judicial action to exclude Tenant and other occupants from the Premises.

E. Remove and store (at Tenant's sole cost) any property on the Premises at Tenant's sole cost.

F. Sue for eviction, specific enforcement, equitable relief, rent, damages, or any other available remedy.

G. Apply the Security Deposit in any manner permitted by this Lease, and/or increase the amount of the Security Deposit.

H. Cure Tenant's default, and if Landlord so elects, Tenant must reimburse Landlord within thirty (30) days after Landlord delivers an invoice for the cure amounts paid or to be paid plus any reasonable expenses Landlord incurred effecting compliance with Tenant's obligations.

I. Withhold or suspend any payment that this Lease would otherwise require Landlord to make.

J. Charge interest on any amount not paid when due through the date of its payment at the Default Interest Rate (as set forth in Paragraph 40).

K. Recover, but only if Tenant fails to pay Rent and Landlord terminates this Lease or Tenant's right of possession with more than twelve (12) months remaining in the Term of this Lease, liquidated rental damages for the period after any such termination equal to twelve (12) times the monthly Rent due at the time of termination in lieu of any other contractual or legal measure of damages (including re-letting costs) for Tenant's non-payment of Rent, and the parties agree this is a reasonable estimate of Landlord's damages for such a breach given the uncertainty of future market rental rates and of the duration of any vacancy.

L. Exercise all other remedies available to Landlord at Law, in equity, or otherwise (including, without limitation, injunctive relief and any other remedy available under applicable Law).

For purposes of this Paragraph 24, "Breach Damages" means and includes, without limitation, all actual, incidental, and consequential damages, court costs, interest, and attorneys' fees arising from Tenant's breach or default of this Lease, including, without limitation, the cost to or incurred by Landlord of (a) recovering possession of the Premises, (b) removing and storing the property of Tenant and any other occupant or user of the Premises, (c) re-letting of the Premises (including, without limitation, the costs of brokerage commissions and cleaning, decorating, repairing, or altering the Premises for a substitute tenant or tenants), (d) collecting any money owed by Tenant or a substitute tenant, (e) repairing any damage to the Premises caused by any Tenant or other occupant or user of the Premises, (f) performing any obligation of Tenant under this Lease, (g) any other loss or cost reasonably incurred by Landlord as a result of, or arising from, Tenant's breach of this Lease or Landlord's exercise of its rights and remedies for such breach, (h) any contractual or liquidated type or measure of damages, including but not limited to Rental Deficiency as such is defined below; and (i) any other type or measure of damages recoverable for any particular breach under applicable Law.

For purposes of this Paragraph 24, "Rental Deficiency" means a contractual measure of Breach Damages for Tenant's non-payment of Rent measured by either the (a) actual Rental Deficiency, which is the difference (never less than zero) between (i) the Rent due for, and other Rent allocable under this Lease to, each month beginning with the first month with respect to which Landlord receives Rent from re-letting the Premises, and (ii) the proceeds, if any, that

Landlord actually collects from any substitute tenant for any part of the Premises in each corresponding month in which the Term and the term of the substitute tenant's lease overlap; or (b) market Rental Deficiency, which is the present value, discounted at 6% simple annual interest, of the difference (never less than zero) between (i) the rent otherwise due under this Lease during any period after Tenant's breach in which Landlord may elect to recover this damage measure, and (ii) the fair rental value of the Premises during that period, *plus* any costs incurred in connection with any actual or attempted re-letting and any other Breach Damages.

In determining the market Rental Deficiency, the fair rental value will be the total rent that a comparable tenant would pay for comparable space in a building of substantially equivalent quality, size, condition, and location, considering rental rates and concessions then prevalent in the marketplace, the remaining lease term, the expected vacancy, and any other relevant factors. An independent MAI appraiser selected by Landlord will determine the fair rental value of the Premises, and that determination will conclusively bind the parties in any computation of the market Rental Deficiency.

Unless Landlord delivers signed, written notice thereof to Tenant, no act or omission by Landlord or Airport Manager or their respective officials, officers, employees, or agents will constitute Landlord's acceptance of surrender of the Premises, termination of this Lease, or an actual or constructive eviction of Tenant (including, without limitation, Tenant's delivery of keys to any of Landlord's or Airport Manager's officials, officers, employees, or agents or Landlord's repossession, reentry, or re-letting of the Leased Premises).

Pursuit of any of the foregoing remedies or rights shall not preclude pursuit of any of the other remedies or rights herein provided or any other remedies or rights provided by Law, in equity, or otherwise; nor shall pursuit of any remedy or right herein provided constitute a forfeiture or waiver of any Rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained. If any of Tenant's property ("Tenant Property") remains upon the Premises upon the expiration of the Lease term or any earlier termination of this Lease or any repossession of the Premises by Landlord because of Tenant's default under this Lease, Landlord shall have the right to remove such Tenant Property from the Premises and store such Tenant Property, and Tenant shall be obligated to reimburse Landlord for all of the costs incurred by Landlord in removing and storing such Tenant Property. Landlord shall not be required to release any Tenant Property to Tenant until Tenant has paid Landlord all costs incurred by Landlord in removing and storing such Tenant Property and all other amounts owed by Tenant to Landlord pursuant to this Lease, including, without limitation, unpaid rental and costs incurred by Landlord to repair the Premises.

25. Default by Landlord: No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Premises or render Landlord liable for damages, of any kind or nature, or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay Rent) or grant Tenant any right of deduction, abatement, set-off or recoupment, or entitle Tenant to take any action whatsoever with regard to the Premises or Landlord, until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period, then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default.

In the event that Landlord fails to cure such default within the said thirty (30) day period, or within said the additional reasonable period of time, Tenant shall have the right, as its sole and exclusive remedy, to proceed to cure such default and deduct the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum from the next succeeding Base Rent installment(s) due by Tenant to Landlord hereunder.

If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

The liability of Landlord (and all other Addison Persons and all Manager Persons) for any default by Landlord under this Lease shall be limited to an amount equal to twelve (12) months of Base Rent (the amount of such Base Rent being the amount in effect at the time of such default), and Landlord (and all other Addison Persons and all Manager Persons) shall not be otherwise or personally liable for any deficiency, claim, harm, loss, judgment, liability, or for any other matter whatsoever, and Tenant (for itself and all Tenant Persons) fully waives all other rights of recovery against

Landlord (and all other Addison Persons and all Manager Persons) and any assets of Landlord (and all other Addison Persons and all Manager Persons).

26. Mitigation of Damages:

A. Landlord and Tenant agree to the following criteria in connection with Landlord's mitigation of damages after a default by Tenant and abandonment of the Premises by Tenant under this Lease (such mitigation, being by means of marketing the Premises for lease, to commence not more than sixty (60) days after Tenant physically vacates the Premises and to continue until the Premises have been relet):

1. Landlord will have no obligation to solicit or entertain negotiations with any other prospective tenant of the Premises until and unless Landlord obtains full and complete possession of the Premises, including without limitation, the final and non-appealable legal right to relet the Premises free of any claim of Tenant.

2. Landlord will not be obligated to offer the Premises to a prospective tenant when other premises suitable for that prospective tenant's use are (or soon will be) available in any other premises located at Addison Airport.

3. Landlord will not have any obligation to lease the Premises for any rental less than the current rate then prevailing for similar space at Addison Airport (or if no similar space is available, the current fair market rental then prevailing for similar space in comparable buildings in the same market area as the Premises) nor shall Landlord be obligated to enter into a new lease under any terms or conditions that are unacceptable to Landlord.

4. Landlord will not be obligated to enter into any lease with any prospective tenant whose reputation is not acceptable to Landlord, in Landlord's sole judgment and opinion.

5. Landlord will not be obligated to enter into a lease with any prospective tenant: (i) which does not have, in Landlord's sole judgment and opinion, sufficient financial resources and operating experience to occupy and operate the Premises in a first class manner and meet its financial obligations; or (ii) whose proposed use of the Premises is not a permitted use under the terms of this Lease.

6. Landlord will not be required to expend any amount of money to alter, remodel or otherwise make the Premises suitable for use by any prospective tenant.

If Landlord makes the Premises available for reletting under the criteria set forth hereinabove, Landlord will be deemed to have fully satisfied Landlord's obligation to mitigate damages under this Lease and under any Law or judicial ruling in effect on the date of this Lease or at the time of Tenant's default, and Tenant hereby **waives and releases**, to the fullest extent legally permissible, any right to assert, in any action by Landlord to enforce the terms of this Lease, any defense, counterclaim, or rights of setoff or recoupment respecting the mitigation of damages by Landlord (or alleged failure by Landlord to adequately mitigate its damages), unless and to the extent Landlord maliciously or in bad faith fails to act in accordance with the requirements of this Paragraph.

No rent collected from a substitute tenant for any month in excess of the Rent due under the Lease for that month will be credited or offset against unpaid Rent for any other month or any other Breach Damages. Tenant stipulates that the mitigation requirements expressed in this Paragraph are objectively reasonable. **TO THE FULLEST EXTENT PERMITTED BY LAW, TENANT WAIVES ANY OTHER OBLIGATION BY LANDLORD TO MITIGATE ITS DAMAGES AFTER TENANT VACATES OR ABANDONS THE PREMISES.**

B. Tenant's right to seek damages as a result of a default by Landlord under this Lease shall be conditioned on Tenant taking all actions reasonably required, under the circumstances, to minimize any loss or damage to Tenant's property or business, or to any of Tenant's officials, officers, employees, agents, invitees, or other third parties that may be caused by any such default of Landlord.

27. Waiver of Subrogation: Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Lease for any and all loss of, or damage to, any of

such party's property located within or upon, or constituting a part of the Premises, which loss or damage is covered by valid and collectible casualty, fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of casualty, fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

28. Title to Improvements: The Town of Addison, Texas, is the sole owner of the Premises. Any and all improvements made to the Premises by Tenant shall become the property of Landlord upon the expiration or termination of this Lease; provided, however: (i) if Tenant is not then in default hereunder, Tenant shall have the right to remove all personal property, equipment, or removable trade fixtures owned by Tenant from the Premises, but Tenant shall be required to repair any damage to the Premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements made to the Premises by Tenant and restore the Premises to the condition in which the same existed on the Commencement Date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense. If Tenant fails or refuses to remove any or all of Tenant's personal property, equipment, and trade fixtures from the Premises on or before the date of the termination of this Lease, the items which Tenant has failed or refused to remove: (i) shall be considered abandoned by Tenant, (ii) shall become the property of Landlord, and (iii) may be disposed of by Landlord in any manner desired by Landlord in Landlord's unfettered discretion.

29. Mechanics' and Materialmen's Liens: TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD LANDLORD HARMLESS OF AND FROM ALL LIABILITY ARISING OUT OF THE FILING OF ANY MECHANICS' OR MATERIALMEN'S LIENS AGAINST THE PREMISES BY REASON OF ANY ACT OR OMISSION OF TENANT OR ANYONE CLAIMING BY, THROUGH, OR UNDER TENANT; AND LANDLORD, AT LANDLORD'S OPTION, MAY SATISFY SUCH LIENS AND COLLECT THE AMOUNT EXPENDED FROM TENANT TOGETHER WITH INTEREST THEREON AS PROVIDED IN PARAGRAPH 40 AS ADDITIONAL RENT; PROVIDED, HOWEVER, THAT LANDLORD SHALL NOT SO SATISFY SUCH LIENS UNTIL THIRTY (30) DAYS AFTER WRITTEN NOTIFICATION TO TENANT OF LANDLORD'S INTENTION TO DO SO AND TENANT'S FAILURE DURING SUCH THIRTY (30) DAY PERIOD TO BOND SUCH LIENS OR ESCROW FUNDS WITH APPROPRIATE PARTIES TO PROTECT LANDLORD'S INTEREST IN THE PREMISES.

30. Title: Tenant enters into this Lease and accepts the Premises subject to: (i) the Airport Minimum Standards and the Rules and Regulations as amended or modified from time to time; (ii) easements, rights-of-way, and other interests in or encumbrances on Property (whether or not recorded) that may affect the Premises; (iii) all Laws promulgated by any governmental authority having jurisdiction over the Premises, and (iv) all of the terms, conditions, and provisions of this Lease.

31. Quiet Enjoyment and Subordination: Landlord represents that Tenant, upon Tenant's payment of the Rent and other payments herein required and provided for, and Tenant's performance of the terms, conditions, covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the Premises during the full Term of this Lease; provided, however, that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon, or to any other matter affecting, the Premises. Landlord further is hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust, ground or other lease ("ground lease"), or other lien now existing or hereafter placed on the Premises or to declare this Lease prior and superior to any mortgage, ground lease, deed of trust or other lien now existing or hereafter placed on the Premises (and Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request), provided such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee (or ground lessor or holder of such other lien or interest) and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease so long as Tenant attends to the mortgagee, its successor and assigns (or ground lessor or holder of such other lien or interest, their successors and assigns) and pays timely all Rent and other payments due hereunder and performs all of the duties and obligations of Tenant under this Lease; and (ii) in the event of foreclosure or any enforcement of any such mortgage, deed of trust,

ground lease, or other lien, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations under this Lease and attorn to the mortgagee, its successor and assigns (or ground lessor or holder of such other lien or interest, their successors and assigns). Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust, ground lease, or other lien and specifically providing that this Lease shall survive any foreclosure of such mortgage, deed of trust or other lien, or action to terminate a ground lease affecting the Premises. Upon any foreclosure of any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises (or any sale in lieu thereof), or upon termination of a ground lease affecting the Premises, Tenant agrees to attorn to and recognize as landlord hereunder, the purchaser of Landlord's interest in the Premises at any foreclosure sale (or sale in lieu thereof) pursuant to any such mortgage, deed of trust or other lien, or the ground lessor (in the event of termination of a ground lease), if Tenant is required to do so by the applicable party (and Tenant agrees to execute an instrument to that effect as may be provided by such applicable party).

32. Access and Egress: Landlord reserves, and Tenant hereby grants to Landlord, the full and unrestricted access to and egress from that portion of the Premises on which buildings or improvements are not located for Landlord, its tenants, employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, and Manager, its officers, employees and agents, without charge to Landlord or to said persons or entities.

33. Rent on Net Return Basis: It is intended that the rent provided for in this Lease shall be an absolutely net return to Landlord for the term of this Lease, free of any loss, expenses or charges with respect to the Premises including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with such intention.

34. Holding Over: Should Tenant, or any of Tenant's successors in interest fail to surrender the Premises, or any part thereof, on the expiration of the term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days' prior written notice to the other, at a monthly rental equal to one hundred fifty percent (150%) of the Base Rent paid for the last month of the Term of this Lease.

35. Waiver of Default: No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein. Landlord will not be deemed to have waived any right or remedy, or Tenant's breach of any obligation under this Lease, unless Landlord delivers a signed writing, addressed to Tenant and explicitly relinquishing that right, remedy or breach. No custom or practice arising during the Term of this Lease will waive, or diminish, Landlord's right to insist upon strict performance of Tenant's obligations. No restrictive endorsement or other statement on or accompanying any check or payment will be deemed an accord and satisfaction or novation, and Landlord will be entitled to accept any such check or payment, without prejudice, to Landlord's rights to recover the full amount due and to exercise its other remedies.

36. Release of Landlord Upon Transfer: All of Landlord's personal liability for the performance of the terms and provisions of this Lease (except for any liability accruing prior to such transfer) shall terminate upon a transfer of the Premises by Landlord, provided that the obligations of Landlord under this Lease are covenants running with the land and shall be binding upon the transferee of Landlord's interest in this Lease and the Premises.

37. Attorneys' Fees: If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, it shall become necessary for the other to employ an attorney to enforce or defend any of such party's rights or remedies hereunder, and should such party prevail, such party shall be entitled to collect reasonable attorneys' fees incurred in such connection from the other party.

38. Financial Information: Tenant agrees that Tenant will from time to time, upon the written request of Landlord during the term of this Lease furnish to Landlord such credit and banking references as Landlord may reasonably request.

39. Estoppel Certificates:

A. Tenant agrees that from time to time, upon not less than thirty (30) days' prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications); (ii) the dates to which rent and other charges have been paid; (iii) Landlord is not in default under any term or provision of this Lease or, if then in default, the nature thereof in detail in accordance with an exhibit attached thereto; (iv) that, if requested by Landlord, Tenant will not pay Rent more than one (1) month in advance, (v) that this Lease will not be amended without notice to Landlord's mortgagee (or such other person as Landlord may identify), and (vi) that this Lease will not be terminated by Tenant without the same notice required by this Lease to be furnished by Tenant to Landlord also being furnished by Tenant to Landlord's mortgagee (or such other person as Landlord may identify), and Landlord's mortgagee (or such other person as Landlord may identify) shall have the same opportunity to cure such default within the curative period as allowed Landlord under this Lease; and (vii) any other information pertaining to Landlord, Tenant, this Lease or the Premises reasonably requested by Landlord.

B. Landlord agrees that from time to time, upon not less than thirty (30) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications); (ii) the dates to which Rent and other charges have been paid; and/or (iii) Tenant is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto.

40. Interest on Tenant's Obligations and Manner of Payment: All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest per annum at the lesser of ten percent (10%) or the highest non-usurious rate then allowed by Law (the "Default Interest Rate"), from and after said tenth (10th) day until paid. If more than twice during the term of the Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cashier's check, certified check or money order, and the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice.

41. Landlord's Lien: In addition to the constitutional and statutory Landlord's liens, **TENANT HEREBY GRANTS TO LANDLORD A SECURITY INTEREST TO SECURE PAYMENT OF ALL RENT DUE HEREUNDER FROM TENANT, UPON ALL GOODS, WARES, EQUIPMENT, FIXTURES, FURNITURE AND OTHER PERSONAL PROPERTY OWNED BY TENANT AND SITUATED IN OR UPON THE PREMISES, TOGETHER WITH THE PROCEEDS FROM THE SALE OR LEASE THEREOF.**

Such property shall not be removed without the consent of Landlord until all arrearages in rent then due to Landlord hereunder shall have been paid and discharged. Upon Tenant's failure to pay rent due within ten (10) days after the due date, Landlord may, in addition to any other remedies provided herein or by Law, enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property owned by Tenant and situated on the Premises without liability for trespass or conversion, and sell the same at public or private sale with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any such sale. Landlord has no right to and has no security interest in and may not take possession of any property which may be situated on the Premises but which is not owned by Tenant, including but not limited to property which may be owned by another and leased and/or loaned to Tenant. Unless otherwise required by Law, notice to Tenant of such sale shall be deemed sufficient if given in the manner prescribed in this Lease at least thirty (30) days before the time of the sale. Any public sale made under this Paragraph shall be deemed to have been conducted in a commercially reasonable manner if held in the Premises or where the property is located, after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in Dallas County, Texas, for five (5) consecutive days before the date of the sale. Landlord or Landlord's assigns may purchase at a public sale and, unless prohibited by Law, at a private sale. The proceeds from any disposition dealt with in this paragraph, less any and all expenses connected with the taking of possession, holding and selling of the property including reasonable attorneys' fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted herein. Any surplus shall be paid to Tenant or as otherwise required by Law, and Tenant shall pay any deficiency forthwith.

Upon request by Landlord, Tenant agrees to execute, as debtor, and deliver to Landlord financing statements in form sufficient as may be necessary to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Texas Business and Commerce Code. Landlord may at its election at any time file in the appropriate County records a copy of this Lease as a Financing Statement. Landlord, as Secured Party, has all of the rights and remedies afforded a secured party under the Texas Uniform Commercial Code in addition to and cumulative of the landlord's liens and rights provided by Law or by the other terms and provisions of this Lease. The constitutional and statutory liens for rent are expressly reserved; the security interest herein granted is in addition and supplementary thereto.

42. Corporate Execution: If Tenant is a corporation or if this Lease shall be assigned by Tenant to a corporation or if Tenant sublets all or a portion of the Premises to a corporation, such corporation hereby agrees to execute and deliver to Landlord from time to time during the Term of this Lease such instruments as Landlord may reasonably request to evidence: (i) the authority of such corporation to transact business good standing with the State of Texas; and (ii) the authority of the officers of such corporation to execute this Lease or other documents in connection with this Lease.

43. Joint and Several Liability: If more than one person or entity is defined as Tenant in this Lease, all of the duties, obligations, promises, covenants and agreements contained in this Lease to be paid and performed by Tenant shall be the joint and several obligations of all persons or entities defined as Tenant. Each person or entity defined as Tenant agrees that Landlord, in Landlord's sole discretion, may: (i) institute or bring suit against them, jointly and severally, or against any one or more of them; (ii) compromise or settle with any one or more of them for such consideration as Landlord may deem proper; and (iii) release one or more of them from liability hereunder, and that no such action by Landlord shall impair or affect Landlord's rights to collect costs, expenses, losses or damages incurred or suffered by Landlord from the other persons or entities defined as Tenant, or any of them, not so sued, compromised, settled with or released.

44. Certificate of Occupancy: Tenant may take possession of the Premises pursuant to the terms and conditions of this Hangar Lease, however may not occupy the Premises without first being issued a valid Certificate of Occupancy pursuant to the Town of Addison, Texas Code of Ordinances, Part II, Chapter 18, Article II, Division 2, Section 18-53. Tenant may apply for a Certificate of Occupancy any time after the Effective Date of this Agreement. If for any reason, beyond the reasonable control of Tenant, Tenant is unable to secure a Certificate of Occupancy within thirty (30) days prior to the Commencement Date, Tenant may terminate this Lease provided Tenant has given Landlord written notice of all deficiencies preventing the issuance of said Certificate of Occupancy in favor of Tenant and Landlord fails to cure or otherwise resolve the deficiency(ies) within ten (10) business days of Landlord's receipt of Tenant's written notice. Nothing herein contained shall obligate Landlord to install any additional electrical wiring, plumbing or plumbing fixtures, or other fixtures or equipment or any other improvements whatsoever which are not presently existing in the Premises, or which have not been expressly agreed upon by Landlord in writing.

45. Independent Contractor: It is understood and agreed that in leasing, occupying, and operating the Premises, Tenant is acting as an independent contractor and is not acting as agent, partner, joint venturer or employee of Landlord.

46. Force Majeure: In the event performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by an Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of Landlord, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord is so delayed or hindered.

47. Exhibits: All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

48. Use of Language; No Third Party Beneficiaries: Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires. For purposes of this Lease, "includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

Where Landlord consent or approval is required in this Lease, such consent or approval may be given by the City Council of the Town of Addison, Texas or by the City Manager of the Town of Addison.

Except as otherwise set forth in this Lease, this Lease and each of its provisions are solely for the benefit of the parties hereto and are not intended to and shall not create or grant any rights, contractual or otherwise, to any third person or entity.

49. Captions: The captions or headings or paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

50. Successors: The terms, conditions and covenants contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and legal representatives except as otherwise herein expressly provided. All rights, powers, privileges, immunities and duties of Landlord under this Lease including, but not limited to, any notices required or permitted to be delivered by Landlord to Tenant hereunder may, at Landlord's option, be exercised or performed by Landlord's agent or attorney.

51. Severability: The terms and provisions of this Lease are severable, and if any term or provision in this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby, and the invalid or unenforceable term or provision will be reformed to give effect (to the fullest extent possible) to the parties' intentions in a manner that is legal, valid, and enforceable. It is the parties' intent that the term of this Lease not exceed any statutory limit; if it should be determined that the term of this Lease exceeds such period of time, the term hereof shall be reformed so as to make the term hereof not exceed such period of time.

52. Notices: Any notice or document required to be delivered or given hereunder may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage prepaid as registered or certified mail (return receipt requested is optional by sender), addressed to the parties at the addresses indicated below, or at such other addresses as may have theretofore been specified by written notice delivered in accordance herewith.

TO LANDLORD:

Town of Addison, Texas
c/o Airport Manager
16051 Addison Road, Suite 220
Addison, Texas 75001
Attn: Real Estate Manager

and

Town of Addison, Texas
P.O. Box 9010
5300 Beltline Road
Dallas, TX 75001-9010

TO TENANT:

Jani-King International, Inc.
16885 Dallas Parkway
Addison, TX 75001
Attn: Lauren Rambo

and

Cavanaugh Flight Museum
4572 Claire Chennault Drive
Addison, TX 75001
Attn: Doug Jeanes

53. Fees or Commissions: Each party hereto hereby covenants and agrees with the other that such party shall be solely responsible for the payment of any brokers', agents' or finders' fees or commissions agreed to by such party arising from the execution of this Lease or the performance of the terms and provisions contained herein, **AND THE TENANT AGREES TO INDEMNIFY AND HOLD THE CITY AND/OR LANDLORD HARMLESS FROM THE PAYMENT OF ANY SUCH FEES OR COMMISSIONS.**

54. Counterparts: This Lease may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

55. Governing Law and Venue: This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the Laws of the State of Texas, without regard to conflict of Law provisions of any jurisdiction; and Landlord and Tenant both irrevocably agree that venue for any dispute concerning this Lease or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Dallas County, Texas, and the parties submit themselves to the jurisdiction of such courts.

56. No Recording: Tenant agrees that Tenant will not record this Lease in the real property records of Dallas County, Texas, without first securing the prior written consent of Landlord, which may be withheld at Landlord's sole discretion. However, Tenant agrees upon the written request of Landlord to execute, acknowledge and deliver to Landlord a short-form lease in recordable form.

57. Diagram: The diagram of the Premises attached hereto as **Exhibit C** merely evidences existing or contemplated improvements. By attaching such diagram as an exhibit to this Lease, Landlord is in no way contracting or bound to maintain or construct improvements exactly as shown thereon or prohibited from making additional or different improvements.

58. Time of Essence: Time is of the essence in the payment and performance of the duties and obligations imposed upon Tenant by the terms and conditions of this Lease.

59. Survival: All duties and obligations imposed upon Tenant by the terms and conditions of this Lease shall survive the termination or expiration of this Lease until paid or performed.

60. Special Conditions:

Tenant hereby acknowledges and agrees that the entire aircraft apron in front of the hangar is subject to an ingress and egress easement for aircraft, vehicles and pedestrians. Tenant shall not leave aircraft, vehicles, equipment or any other object on or about the apron unattended or restricting safe passage for any period of time. Landlord reserves the right to remove and or impound, at Tenant's sole cost and expense, any such aircraft, vehicles, equipment or obstruction from the apron area subject to this easement.

61. Authority to Execute. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Lease on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

62. Entire Agreement and Amendments: This Lease, consisting of sixty-two (62) Paragraphs and Exhibits A through E attached hereto and made a part hereof, together with the premises and recitals to this Lease set forth above which are incorporated herein, and any other documents incorporated herein (including, without limitation, the Rules and Regulations), embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

EXECUTED as of the day, month and year first above written.

LANDLORD:

TOWN OF ADDISON, TEXAS
a home-ruled municipality

By: _____

TENANT:

JANI-KING INTERNATIONAL, INC.
a Texas corporation

Contract #005B-0102

By: _____

Title: _____
Title: _____

EXHIBIT A

Legal Description of the Premises

4730 George Haddaway Drive, Addison Airport, Addison, Texas 75001

Whereas a true and correct Legal Description of the Premises is currently not available, Landlord and Tenant mutually agree the Premises are located at 4730 George Haddaway Drive, Addison, Dallas County, Texas 75001, also sometimes referred to as Jet Hangar E-COLL Jet 5B, Property 005B in the Airport Manager's records, and as #A-1 in the FAA approved Airport Layout Plan (ALP) and as further described in Exhibit C hereto.

EXHIBIT B

Property Survey

Whereas a true and correct boundary survey is currently not available describing the Premises, Landlord and Tenant mutually agree the Premises are located at 4730 George Haddaway Drive, Addison, Dallas County, Texas 75001, also sometimes referred to as Jet Hangar E-COLL Jet 5B, Property 005B in the Airport Manager's records, and as #A-1 in the FAA approved Airport Layout Plan (ALP) and as further described in Exhibit C hereto.

EXHIBIT C

Aerial Depiction of the Premises

Below is a depiction of the proximity of the Premises for informational purposes only and is not to be construed as accurate in area or dimension.



Figure 1: Shaded area depicts approximate lease boundary.

EXHIBIT D

Utility Expense Reimbursement Addendum

**Addendum to the Conventional Hangar Lease for Commercial Aviation Use with the
Effective Date of June 2, 2014, concerning the Premises located at 4730 George Haddaway
Drive, Addison Airport, Addison, Dallas County, Texas 75001**

A. The party designated below will pay for the following utility charges serving the Premises including any related connection/disconnection charges assessed by the service provided:

(Check or mark once per line. *Note: if a check is omitted or not made for any one line item or, if more than one check or mark is made per any one line item, Tenant is the responsible party to procure and pay for such service*).

(1)	(2) <u>N/A</u>	(3) <u>Landlord</u>	(4) <u>Tenant</u>	(5) <u>Provided by Landlord & Reimbursed By Tenant (See Exhibit D)</u>	(6) <u>Further Description If Any</u>
1. Water	<input type="checkbox"/>	<input type="checkbox"/>	√		
2. Sewer	<input type="checkbox"/>		√		
3. Electric	<input type="checkbox"/>	<input type="checkbox"/>	√		
4. Gas	<input type="checkbox"/>	<input type="checkbox"/>	√		if available to the Premises
5. Telephone/Data	<input type="checkbox"/>	<input type="checkbox"/>	√	<input type="checkbox"/>	
6. Trash	<input type="checkbox"/>	<input type="checkbox"/>	√	<input type="checkbox"/>	
7. Cable	<input type="checkbox"/>	<input type="checkbox"/>	√	<input type="checkbox"/>	
8. Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9. Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10. Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

The responsible party so designated above (i) may select or change the utility service provider from time to time over the term of the Lease, and (ii) shall be responsible, at its sole cost and expense, for obtaining and maintaining said utility connections at or for the Premises.

B. All utilities to be provided by Landlord and reimbursed by Tenant as indicated above (Column 5) shall be paid as follows:

1. In addition to the Base Rent, Tenant will pay Landlord as Additional Rent the costs for the utility services indicated herein and directly attributable or reasonably allocable to the Premises and associated with the referenced accounts (where each account is an account of or for Landlord).

2. Each month Landlord shall submit to Tenant an invoice for all such utility costs, including taxes, fees and other related costs, billed to Landlord for the preceding billing

cycle. Tenant shall pay, as Additional Rent, the amount of each such invoice no later than the first day of the month following the date of the invoice (and the obligation to pay the invoice for the last month (or partial month) of this Hangar Lease shall survive the expiration or termination of this Hangar Lease). Landlord agrees to reasonably cooperate with Tenant in the event Tenant, at Tenant's sole cost, should desire to inquire about, or to protest or appeal, the charges being assessed by the utility service provider. To this end, Tenant shall give Landlord prior written notice of any such protest or appeal, and resolution thereof.

3. Landlord agrees not to assess any rebilling or administrative service fees for utility costs covered under this addendum.

4. Tenant's failure to timely pay said utility costs as Additional Rent shall be deemed to be an event of default by Tenant under the Lease. Landlord reserves all rights and remedies available to it under the Lease and by Law to collect all Rent due.

Utility Expense Reimbursement Addendum Initialed By Tenant: _____

EXHIBIT E

4730 George Haddaway Drive
Addison, Texas 75001

Maintenance and Repair Responsibilities

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
Ground Maintenance			
Building & Gate Locksmithing & Security	Maintains all public access gates	All, as required by Tenant's use and all Laws, including ordinances, rules and regulations. All doors and gates leading to Airport Operations Area are to be kept secured at all times.	
Fencing	Landlord maintains Airport perimeter fence (damage to such fence caused by or resulting from any of Tenant's, or its guests' and invitees, acts or omissions shall be paid for by Tenant)	All other fencing upon the Premises, <i>if any</i> , is Tenant's responsibility.	
Landscape & Lawn Care	All turf, beds and planters within the Premises		
Landscape Irrigation	Minimum requirements by City ordinance		
Pavement - Parking	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage other than that resulting from normal wear and tear. Painting and striping as required for intended use or required by ordinance or otherwise by Landlord with Landlord's prior written consent.	
Pavement - Ramp	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage other than that resulting from normal wear and tear. Painting and striping as required for intended use, safe operations or as required by Landlord and with Landlord's prior written	

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
Trash Dumpster	.	Tenant to manage and maintain service, must be kept on Premises unless otherwise approved in advance by Landlord	
Trash Dumpster screening, if required	Landlord is responsible for constructing and maintaining screening, if required.	Maintained at Tenant's sole cost and expense.	
<u>Building Shell</u>			
Garage Overhead & Service Doors	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance and basic service.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Hangar Doors	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance and basic service.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Hangar Floor	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance, sweeping, cleaning and safety markings as required by Landlord.	
Building & Hangar Insulation, if existing	Major repairs and replacement if required at sole discretion of Landlord.	General preventive maintenance, repair and replacement where required.	
Painting and cleaning of building exterior	Performed by Landlord at Landlord's sole expense and discretion.	General preventive maintenance, repair and replacement where required.	
Repairs to exterior siding building, fascia, trim, etc.	Performed by Landlord at Landlord's sole expense and discretion	General preventive maintenance, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
			omissions shall be paid for by Tenant)
Window and Glass Curtain Walls	Major repairs and replacement when required at sole discretion of Landlord.	General preventive maintenance, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Roof	Major repairs and replacement when required at sole discretion of Landlord.	No penetrations without Landlord's prior written approval.	
Roof rain-gutters and downspouts	Major repair and replace as required.	General preventive maintenance, repair and replacement where required.	
Interior - Finish-out			
Interior Doors	Major repairs and replacement when required at sole discretion of Landlord.	General preventive maintenance, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Office/shop space flooring and floor cover	Major repairs and replacement at sole discretion of Landlord.	Major repair and replacement with Landlord's prior consent. General preventive maintenance, cleaning, repair and replacement where required.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Painting Interior		Repainting similar to existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required.	Office area only

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
Walls & Ceilings	Major repairs and replacement at sole discretion of Landlord.	Repainting or repairing similar to existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required. Applicable to office area only.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Building Systems			
Air Compressor	Major repairs & replacement @sole discretion of Landlord.	General maintenance and repair. Replacement or material change only with Landlord's prior written consent.	
Electrical Systems	Major repairs and replacement at sole discretion of Landlord.	General maintenance and repair. Replacement or material change only with Landlord's prior written consent.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Exterior Lighting & maintenance	Major repairs and replacement at sole discretion of Landlord. Landlord to replace bulbs as necessary.	Replacement or material change only with Landlord's prior written consent.	
Hangar light repair and replacement	Major repairs and replacement at sole discretion of Landlord. Landlord to replace bulbs as necessary.	Replacement or material change only with Landlord's prior written consent.	
HVAC	Major repairs and replacement at sole discretion of Landlord. General maintenance and repair of equipment.	Replacement or material change only with Landlord's prior written consent.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Window a/c units, if any	Major repairs and replacement at sole discretion of Landlord.	General maintenance and repair. Replacement or material change only with Landlord's prior written consent.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)

	<u>Landlord</u>	<u>Tenant</u>	<u>Comment</u>
			by Tenant)
Plumbing systems	Major repairs and replacement at sole discretion of Landlord.	General maintenance and repair. Replacement or material change only with Landlord's prior written consent.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Water heater	Replacement at Landlord's sole discretion.	General maintenance and repair. Replacement with Landlord's prior written consent.	
Storm water drains	Major repairs and replacement and general maintenance.	Damage caused by or resulting from acts of Tenant, Tenant's employees, guests or invitees shall be paid for by Tenant.	(damage caused by or resulting from Tenant, Tenant's employees, or its guests' and invitees, acts or omissions shall be paid for by Tenant)
Grease Traps	Landlord to have inspected and serviced upon tenant move-in.	Tenant's full responsibility.	If any
Tapping into Fire Main for fire suppression systems	Must be approved by Landlord in advance.	Tenant's full responsibility with Landlord's prior written consent.	
Other:			

TOWN OF ADDISON, TEXAS

RESOLUTION NO. R15-021

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING A CONVENTIONAL HANGAR LEASE BETWEEN THE TOWN OF ADDISON AND JANI-KING INTERNATIONAL, INC. FOR COMMERCIAL AVIATION USE, AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT, AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. The Conventional Hangar Lease between the Town of Addison and Jani-King International, Inc. for commercial aviation use, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved. The City Manager is hereby authorized to execute the agreement.

Section 2. This Resolution shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 9th day of June, 2015.

Todd Meier, Mayor

ATTEST:

By: _____
Chelsea Gonzalez, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda N. McDonald, City Attorney

AI-1164

4.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: City Manager

Council Goals: Create raving fans of the Addison Experience.

AGENDA CAPTION:

A resolution adopting the Naming and Recognition Policy for structures, parks and trails.

BACKGROUND:

The Council had a desire to review the Addison Naming Policy adopted by resolution in September of 2007. On April 14th a Council Work Session was held to discuss the existing Naming Policy and possible changes that the Council would like to make. At this meeting Council decided to remove the City Manager from the naming possibilities for parks, trails and structures. There was also discussion around what the mechanism may be for recognizing those who contribute to Addison that do not fit in the first category. A public hearing was held on April 28th to solicit input from the public, four speakers expressed their thoughts. Staff revised the Policy to remove a City Manager from the naming possibilities for parks, trails and structures, added \$1 million as the minimum qualification for the naming a park, trail or structure, added a dog park component and added a naming procedure. Through additional Council discussion it was determined that a provision was needed to remove a name if that name reflects negatively on Addison, which has been added. Staff also included a section that points people who would like to have other naming opportunities to the Addison Legacy Foundation and the Addison Arbor Foundation.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution

Naming Policy

TOWN OF ADDISON, TEXAS

RESOLUTION NO. R15-020

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS REPEALING RESOLUTION NO. R07-019 AND APPROVING A NAMING AND RECOGNITION POLICY FOR CITY OWNED STRUCTURES, TRAILS AND PARKS, AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. Resolution No. R07-019 is hereby repealed.

Section 2. The Naming and Recognition Policy, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved.

Section 3. This Resolution shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 9th day of June, 2015.

Todd Meier, Mayor

ATTEST:

By: _____
Chelsea Gonzalez, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda N. McDonald, City Attorney



**Addison Naming
And
Recognition Policy**

PURPOSE:

To establish a naming, renaming and recognition policy for Addison in order to establish guidelines for the City Council and staff to follow to reflect Addison's mission. This policy will address city owned structures, trails and parks. In addition, this policy will outline how Addison may recognize individuals, groups or corporations that contributed in a significant manner to the community.

NAMING CRITERIA-CITY OWNED STRUCTURES, TRAILS AND PARKS:

- 1) Definitions
 - a) A structure would include buildings, bridges or structures within a park
 - b) A trail would be any trail within Addison maintained by the Parks Department
 - c) A park would be any area designated as a park including dog parks that are maintained by the Parks Department
- 2) Criteria to name a structure, trail or park
 - a) Naming a structure trail or park could be named after an individual or corporation if they met one of the following criteria
 - i) The individual was a former Mayor and had made a significant contribution of service toward the betterment of the Addison community and had been out of office for a minimum of 5 years.
 - ii) Individuals or corporations who donate at a minimum of \$1,000,000.00 in land, services or funds to Addison.
 - iii) Dog parks may be named for an individual or corporation with a minimum donated amount of \$250,000.

CONTRIBUTIONS FROM INDIVIDUALS AND CORPORATIONS:

- 1) Create a process to recognize individual and corporation contributions that do not meet the above criteria.
 - a) Develop a creative way to recognize contributions to Addison at a variety of levels of donation or service including volunteers and past employees. Examples may be:
 - i) Naming sculpture
 - ii) Brick path
 - iii) Recognition wall
 - b) Based on their contribution or service level they would be recognized by placing their name in recognition.

- c) The size and location of the recognition may vary based on the amount donated, or service contribution made.

NAMING PROCEDURE

- 1) Naming of a structure, trail or park
 - a) **Former Mayor**--A proposal shall be submitted detailing the qualifications including clearly outlining examples of the contributions of service made to the community. The proposal may include both the name as it is requested to appear on the structure, park or trail along with a suggestion as to the where that name would be located.
 - b) **Donation**—A proposal shall be submitted detailing the amount of the donation along with the proposed name as it would appear on the structure, park or trail. The proposal shall also include suggestions on where that name should appear.
 - i) The Proposal shall be submitted to the City Manager or his/her designee.
 - ii) City staff will review the proposal and, if complete, add the proposal to the Council Agenda for consideration.
 - iii) A public hearing shall be held to give the opportunity for public comment.
 - iv) A majority vote of the Council is required to approve the naming of a structure, park or trail.
- 2) Recognition for contributions from individuals and corporations not meeting the criteria for naming a structure, trail or park.
 - a) An individual or corporation making a donation in land, service, funds, community service or an employee with at least 20 years of employment by Addison may be recognized.
 - b) Proposed names shall be submitted to the City Manager or his/her designee along with a supporting documentation of their contribution to Addison.
 - c) City staff shall review the proposals and, if complete, add the proposal to the Council Agenda for consideration.
 - d) A majority of the Council shall vote in favor of accepting this recognition.

REMOVAL OF A NAME

- 1) In the event the name of a structure, trail or park has previously been granted and the name later casts a negative image on Addison, the name may be removed at the discretion of the Council.

OTHER NAMING OPPORTUNITIES

- 1) Other naming opportunities are available through Addison related organizations such as the Addison Legacy Foundation and Addison Arbor Foundation.

AI-1136

5.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Parks & Recreation

Council Goals: Create raving fans of the Addison Experience.
Implement bond propositions

AGENDA CAPTION:

Release of the retainage and final payment to C. GreenScaping, LP. for the completion of the Redding Trail Expansion in the amount of \$13,459.34.

BACKGROUND:

The Redding Trail Expansion is a part of the Pedestrian Connectivity Project (Phase 1) which is funded by Proposition 6 of the 2012 Bond Election. This important connection links the Les Lacs, Vitruvian and Brookhaven trails via the Arapaho Trail to the Addison Circle District.

RECOMMENDATION:

Administration recommends approval.

Fiscal Impact

Budgeted Yes/No: Yes

Funding Source: 2012 Capital Project Fund

Amount: \$13,459.34

Attachments

Pedestrian Connectivity Map

Denton
County

Collin
County

Carrollton

Addison

Beltway and Proton
Pedestrian Improvements
(Phase 1)

South Quorum
Lighting

Dallas
County

Beltway and Proton
Pedestrian Improvements
(Phase 2)

Addison

Farmers Branch

PEDESTRIAN CONNECTIVITY PROJECTS
Proposition 6 - 2012 Bond Program

AI-1169

6.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Infrastructure- Development Services

Council Goals: Create and implement a Comprehensive Land Use/Revitalization Plan

AGENDA CAPTION:

REPLAT/Quorum West Lots 1R and 2R, Block 2. Replat for two lots totaling 2.775 acres located generally at 14930 Landmark Boulevard, on application from Cumulus Design, represented by Mr. Quadri Akamo.

BACKGROUND:

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on May 19, 2015, voted to recommend approval of a replat for two lots totaling 2.775 acres located generally at the 14930 Landmark Boulevard, subject to no conditions:

Voting Aye: Ennis, Morgan, Oliver, Robbins, Robinson, Smith

Voting Nay: none

Absent: none

RECOMMENDATION:

Administration recommends approval.

Attachments

REPLAT Quorum West Lots 1R and 2R, Block 2 Council Packet

REPLAT/Quorum West Lots 1R and 2R, Block 2

REPLAT/Quorum West Lots 1R and 2R, Block 2. Presentation, discussion and consideration of a recommendation regarding a replat for two lots totaling 2.775 acres located generally at 14930 Landmark Boulevard, on application from Cumulus Design, represented by Mr. Quadri Akamo.





May 14, 2015

STAFF REPORT

RE: REPLAT/ Quorum West Lots 1R
and 2R, Block 2

LOCATION: Generally located at 14930
Landmark Boulevard

REQUEST: Approval of a replat

APPLICANT: Cumulus Design, represented by
Mr. Quadri Akamo.

DISCUSSION:

Background. This replat is in conjunction with the Holiday Inn Express hotel that was approved in 2014. The property is being replatted to adjust the property lines and add easements necessary to accommodate the hotel development and leave a second parcel available for future development.

Engineering Review. The replat has been reviewed by Town staff and found to be in compliance with all requirements.

RECOMMENDATION:

Staff recommends approval of the proposed replat subject to no conditions.

REPLAT/Quorum West Lots 1R and 2R, Block 2
May 19, 2015

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on May 19, 2015, voted to recommend approval of a replat for two lots totaling 2.775 acres located generally at the 14930 Landmark Boulevard, subject to no conditions:

Voting Aye: Ennis, Morgan, Oliver, Robbins, Robinson, Smith

Voting Nay: none

Absent: none

AI-1165

7.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Council

Council Goals: N/A

AGENDA CAPTION:

Presentation by the Metrocrest Chamber to Council Member Carpenter for the successful completion of Leadership Metrocrest Class XXVI.

BACKGROUND:

N/A

RECOMMENDATION:

N/A

AI-1168

8.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Infrastructure- Development Services

Council Goals: Create and implement a Comprehensive Land Use/Revitalization Plan

AGENDA CAPTION:

PUBLIC HEARING Case 1715-SUP/Public School 972. Public hearing, discuss, consider and take action regarding Ordinance Number O15-014 approving a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on the property located at 14854 Montfort Drive, on application from Kelly Architects, represented by Mr. George Kelly.

BACKGROUND:

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on May 19, 2015, voted to recommend approval of an ordinance changing the zoning on property located at 14854 Montfort Drive, which property is currently zoned PD (Planned Development) through Ordinance O84-076, by approving for that property a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to the following conditions:

- The applicant shall not use any terms or graphic depictions relating to alcoholic beverages in exterior signage.
- The applicant shall be required to install landscaping that meets the minimum size requirements listed in the Town's landscape regulations.

Voting Aye: Ennis, Morgan, Oliver, Robinson, Smith

Voting Nay: Robbins

Abstain: None

Absent: None

RECOMMENDATION:

Administration recommends approval.

Attachments

1715-SUP Council Packet

Ordinance O15-014 - Case 1715-SUP Public School 972 Restaurant

1715-SUP

PUBLIC HEARING Case 1715-SUP/Public School 972. Public hearing, discuss, consider and take action on a recommendation regarding an ordinance approving a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on the property located at 14854 Montfort Drive, on application from Kelly Architects, represented by Mr. George Kelly.





May 14, 2015

STAFF REPORT

RE: Case 1715-SUP/Public School 972

LOCATION: 14854 Montfort Drive

REQUEST: Approval of a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only

APPLICANT: Kelly Architects, represented by Mr. George Kelly

DISCUSSION:

Background: This Special Use Permit would cover the vacant free-standing restaurant building located along Montfort on the north edge of the pond. The property is zoned as Planned Development District 084-076 which was approved in 1984 and contains this building, the Prestonwood Pond office building located on the north side of the pond, and the Blue Mesa restaurant. The building originally received an SUP in 1984 to be the L'Archestrate Restaurant. The restaurant was designed to be an exclusive restaurant and private club for members only. The L'Archestrate was constructed, but never opened. Afterwards, the building housed a variety of restaurants until 1993 when it was taken over by Mi Piaci. In 2012, an SUP was approved allowing for an expansion to the existing patio, but that work was never done. Since Mi Piaci closed over a year ago, the building has been vacant.

Proposed Plan: The applicant is proposing to make major modifications to both the interior and exterior of the building in order to open a new restaurant called Public School 972. This concept currently has four other locations; three in California and one in Uptown in Dallas. It is described as a "chef-driven gastropub" that delivers, "An Education in the Art of Food and Beer."

The proposed remodel would gut the building, bring it up to current code requirements and feature a full sized kitchen, a relocated u-shaped bar, a game room, and seating for

204 on the main level. The building also has a small basement level that would feature a secondary kitchen and private dining room with seating for 16.

The applicant is also proposing a patio that would be located long the southwestern edge of the building. This would be constructed as a suspended deck around three existing trees and would cantilever over the edge of the pond. There would be 80 seats on the patio as well as a decorative fire pit. Including both floors of interior space and the patio, the total square footage of the restaurant would be 12,557 square feet.

Exterior Facades: The exterior of the building would mostly remain the same, but would be painted a darker color. Along the faces of the building fronting Montfort, a faux wall would be constructed using a mixture of masonry elements, wood, and landscape screening. These walls would be purely aesthetic and create a more modern look.

Parking: This building shares parking with the office building and the Blue Mesa restaurant. There are a total of 460 parking spaces provided on site, including spaces in the underground parking structure and under the office building. Since restaurants account for less than 40% of the total square footage, the restaurant uses are parked at 1 space per 100 square feet. Public School 972 will require 126 parking spaces. Given the size of the Blue Mesa building, and assuming the office building space is maximized and fully leased, the total required parking for the site would be 461, one space over what is provided on site. However, the office building is not currently fully occupied, nor has it been historically.

Landscaping: The landscaping proposed for this use has been reviewed by the Parks Department and found to be mostly in compliance with the Town requirements, but there are a few proposed plantings that are undersized. This is a minor detail that can be resolved during the construction process, but staff would suggest adding a condition to the SUP ordinance stating that the applicant shall be required to install landscaping that meets the minimum size requirements listed in the Town's landscape regulations.

Signage: The applicant should be aware that all signs must be permitted under the requirements of the Addison Sign Ordinance, which is separate from the zoning approval process. The applicant should also be aware that the Town has a policy against the use of any terms, such as "bar" or "tavern", or any graphic depictions that denote alcoholic beverages, in exterior signs.

RECOMMENDATION: APPROVAL

This site functioned well with the previous restaurant tenants, however it has been vacant for quite some time. This was a difficult building to fill because of its size and the amount of work required to bring it up to current code requirements. Public School 972

appears to be a quality concept with a good plan for this site. Staff recommends approval of the request for a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to the following conditions:

- The applicant shall not use any terms or graphic depictions that relate to alcoholic beverages in any exterior signs.
- The applicant shall be required to install landscaping that meets the minimum size requirements listed in the Town's landscape regulations.

Land Use Analysis

Attributes of Success Matrix

Public School 972, 14854 Montfort Drive

1715-SUP

Attribute	Comment	Score
Competitive	This is a very competitive location for restaurants.	
Safe	The project will be safe.	
Functional	Previous restaurant uses on this site functioned well and were successful.	
Visually Appealing	The applicant is proposing to make enhancements to the building and landscaping to update and improve its appearance.	
Supported with Amenities	The site is in an amenity-rich area with other restaurants, retail, offices and residential uses near by.	
Environmentally Responsible	The proposed landscaping consists mainly of native, drought tolerant plantings.	
Walkable	There are currently no sidewalks on this property. Sidewalks would be difficult to add given the current site configuration and landscaping. This should be addressed when the entire site redevelops.	
Overall Assessment	This is a good site for a restaurant and Public School 972 appears to be a quality operator with a good plan for the building.	



Case 1715-SUP/Public School 972
May 19, 2015

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on May 19, 2015, voted to recommend approval of an ordinance changing the zoning on property located at 14854 Montfort Drive, which property is currently zoned PD (Planned Development) through Ordinance O84-076, by approving for that property a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, subject to the following conditions:

- The applicant shall not use any terms or graphic depictions relating to alcoholic beverages in exterior signage.
- The applicant shall be required to install landscaping that meets the minimum size requirements listed in the Town's landscape regulations.

Voting Aye: Ennis, Morgan, Oliver, Robinson, Smith

Voting Nay: Robbins

Abstain: none

Absent: none

TOWN OF ADDISON, TEXAS

ORDINANCE NO. 015-014

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE TO REPEAL ORDINANCE NO. 012-027 AND TO GRANT SPECIAL USE PERMITS FOR A RESTAURANT AND THE SALE OF ALCOHOLIC BEVERAGES FOR ON-PREMISES CONSUMPTION, ON APPLICATION FROM PUBLIC SCHOOL 972, FOR PROPERTY LOCATED AT 14854 MONTFORT DRIVE; PROVIDING A PENALTY NOT TO EXCEED TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00) FOR EACH OFFENSE AND A SEPARATE OFFENSE SHALL BE DEEMED COMMITTED EACH DAY DURING OR ON WHICH A VIOLATION OCCURS OR CONTINUES; SAVINGS, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the property located at 14854 Montfort Drive is part of the Prestonwood Pond development and is zoned Planned Development through Ordinance No. O84-076; and

WHEREAS, after due deliberations and consideration of the recommendation of the Planning and Zoning Commission, the information received at a public hearing, and other relevant information and materials, the City Council of the Town of Addison, Texas finds that this ordinance promotes the general welfare and safety of this community.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. That the recitals and findings set forth above are hereby found to be true and correct and incorporated as if fully set forth herein.

Section 2. That Ordinance No. O12-027 is repealed.

Section 3. That a Special Use Permit authorizing a restaurant and a Special Use Permit authorizing the sale of alcoholic beverages for on-premises consumption only, on the property located at 14854 Montfort Drive, are hereby granted subject to the following conditions:

- (a) Prior to the issuance of a Certificate of Occupancy, said Property shall be improved in accordance with the site plan, floor plan, landscape plan, and the elevation drawings, which are attached hereto as **Exhibit A** and made a part hereof for all purposes.
- (b) The Special Use Permit granted herein for a restaurant with the sale of alcoholic beverages for on-premises consumption only shall be limited to that particular area designated on the final site plan as encompassing a total area not to exceed 12,557 square feet.

- (c) No signs advertising sale of alcoholic beverages shall be permitted other than those authorized under the Liquor Control Act of the State of Texas, and any sign ordinance of the Town of Addison, Texas.
- (d) The sale of alcoholic beverages under this Special Use Permit shall be permitted in restaurants. Restaurants are hereby defined as establishments which receive at least sixty percent (60%) of their gross revenues from the sale of food.
- (e) Said establishment shall make available to the city or its agents, during reasonable hours its bookkeeping records for inspection, if required, by the city to insure that the conditions of subparagraph (d) above are being met.
- (f) Any use of property considered as a nonconforming use under the Comprehensive Zoning Ordinance of the Town of Addison shall not be permitted to receive a license or permit for the sale of alcoholic beverages.
- (g) If the property for which these Special Use Permits are granted is not used for the purposes for which said permits were granted within one (1) year after the adoption of this ordinance, the City Council may authorize hearings to be held for the purpose of considering a change of zoning and repeal of the Special Use Permits granted herein.
- (h) If a license or permit to sell alcoholic beverages on property covered by this Special Use Permit is revoked, terminated or cancelled by proper authorities, the City Council may authorize hearings to be held for the purpose of considering a change of zoning repeal of the Special Use Permits granted herein.
- (i) The establishment shall not use the term “bar”, “tavern”, or any other terms or graphic depictions that relate to the sale of alcoholic beverages on any signs visible from the exterior of the premises.
- (j) The establishment shall be required to install landscaping that meets the minimum size requirements listed in the Town’s landscape regulations.

Section 4. That any person, firm, or corporation violating any of the provisions or terms of this ordinance shall be subject to the same penalty as provided for in the Comprehensive Zoning Ordinance of the city, as heretofore amended, and upon conviction shall be punished by a fine set in accordance with Chapter 1, General Provisions, Section 1.10, General penalty for violations of Code; continuing violations, of the Code of Ordinances for the Town of Addison.

Section 5. That it is the intention of the City Council that this ordinance be considered in its entirety, as one ordinance, and should any portion of this ordinance be held to be void or unconstitutional, then said ordinance shall be void in its entirety, and the City Council would not have adopted said ordinance if any part or portion of said ordinance should be held to be unconstitutional or void.

Section 6. That all ordinances of the City in conflict with the provisions of this ordinance be, and the same are hereby repealed and all other ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

Section 7. That this Ordinance shall become effective from and after its passage and approval and after publication as may be required by law or by the City Charter or ordinance.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, on this the 9th day of June, 2015.

Todd Meier, Mayor

ATTEST:

Chelsea Gonzalez, City Secretary

CASE NO: 1715-SUP/Public School 972

APPROVED AS TO FORM:

Brenda N. McDonald, City Attorney

PUBLISHED ON: _____

EXHIBIT A


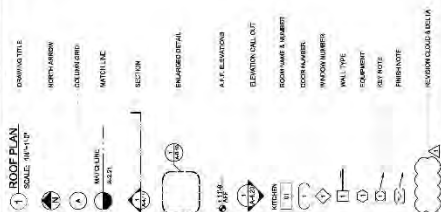
Vicinity Map  <p>PROJECT LOCATION 14854 Montfort Drive Addison, TX 75254</p>	<h2 style="text-align: center;">Public School 972 Special Use Permit (E) Restaurant Renovation</h2> <p style="text-align: center;">14854 Montfort Drive, Addison, TX 75254</p>	List of Drawings <table border="1"> <thead> <tr> <th>Sheet #</th> <th>Sheet Name</th> </tr> </thead> <tbody> <tr> <td>ARCHITECTURE</td> <td>Cover Sheet, List of Drawings, Vicinity Map, Permit History, Permit Description</td> </tr> <tr> <td>SK-1</td> <td>Site Plan & Parking Tabulation</td> </tr> <tr> <td>SK-2</td> <td>Site Survey Plan</td> </tr> <tr> <td>SK-3</td> <td>(N) Furniture Floor Plan</td> </tr> <tr> <td>SK-4</td> <td>(E) Exterior Elevations</td> </tr> <tr> <td>SK-5</td> <td>(N) Exterior Elevations</td> </tr> <tr> <td>SK-6</td> <td>(N) Exterior Elevations</td> </tr> <tr> <td>L1</td> <td>Landscape Plan</td> </tr> <tr> <td>L2</td> <td>Landscape Notes</td> </tr> </tbody> </table>	Sheet #	Sheet Name	ARCHITECTURE	Cover Sheet, List of Drawings, Vicinity Map, Permit History, Permit Description	SK-1	Site Plan & Parking Tabulation	SK-2	Site Survey Plan	SK-3	(N) Furniture Floor Plan	SK-4	(E) Exterior Elevations	SK-5	(N) Exterior Elevations	SK-6	(N) Exterior Elevations	L1	Landscape Plan	L2	Landscape Notes
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Permit History <p>1.</p>	Information <p>Owner: SAS & Associates 14854 Montfort Drive, Suite 107, Dallas, TX 75254</p> <p>Tenant: Grill Concepts, Inc. / Public School 6300 Canoga Ave., Suite 600 Woodland Hills, CA 91387</p> <p>Project: 14854 Montfort Drive, Addison, TX 75254</p> <p>Architect: Hildinger Associates Architects Douglas Hildinger, AIA 9220 Peninsula Drive, Dallas, TX 75218 (214) 785-7321</p> <p>Designer: Kelly Architects, Inc. 2404 Wilshire Blvd. Suite 1E Los Angeles, CA 90057 (213) 380-8488 fax (213) 380-8489</p> <p>Mechanical, Bury, Inc. & Plumbing: Bury, Inc. Electrical Stacey Carr 5310 Harvest Hill Road Suite 100 Dallas, TX 75230 (972) 991-0011 fax (972) 991-0278</p> <p>Structural: Bury, Inc. Engineer 5310 Harvest Hill Road Suite 100 Dallas, TX 75230 (972) 991-0011 fax (972) 991-0278</p> <p>Contractor:</p>	Symbols Legend 																				
Applicable Codes <ol style="list-style-type: none"> 2006 International Fire Code with Addison Amendments. 2012 International Building Code with Addison Amendments. 2012 International Plumbing Code with Addison Amendments. 2012 International Mechanical Code with Addison Amendments. 2011 National Electrical Code with Addison Amendments. 2012 International Green Construction Code. 	Permit Description <p>1. Special Use Permit for an exterior dining deck, exterior facade changes & interior renovations.</p>	SK-1 NUMBER TITLE Cover Sheet List of Drawings Vicinity Map PROJECT Public School 972 14854 Montfort Drive, Addison, TX 75254 DATE MAY 7, 2015 ISSUED FOR R.C.P. SUBMITTAL SCALE AS SHOWN DRAWN BY DATE 11/2014																				

EXHIBIT A

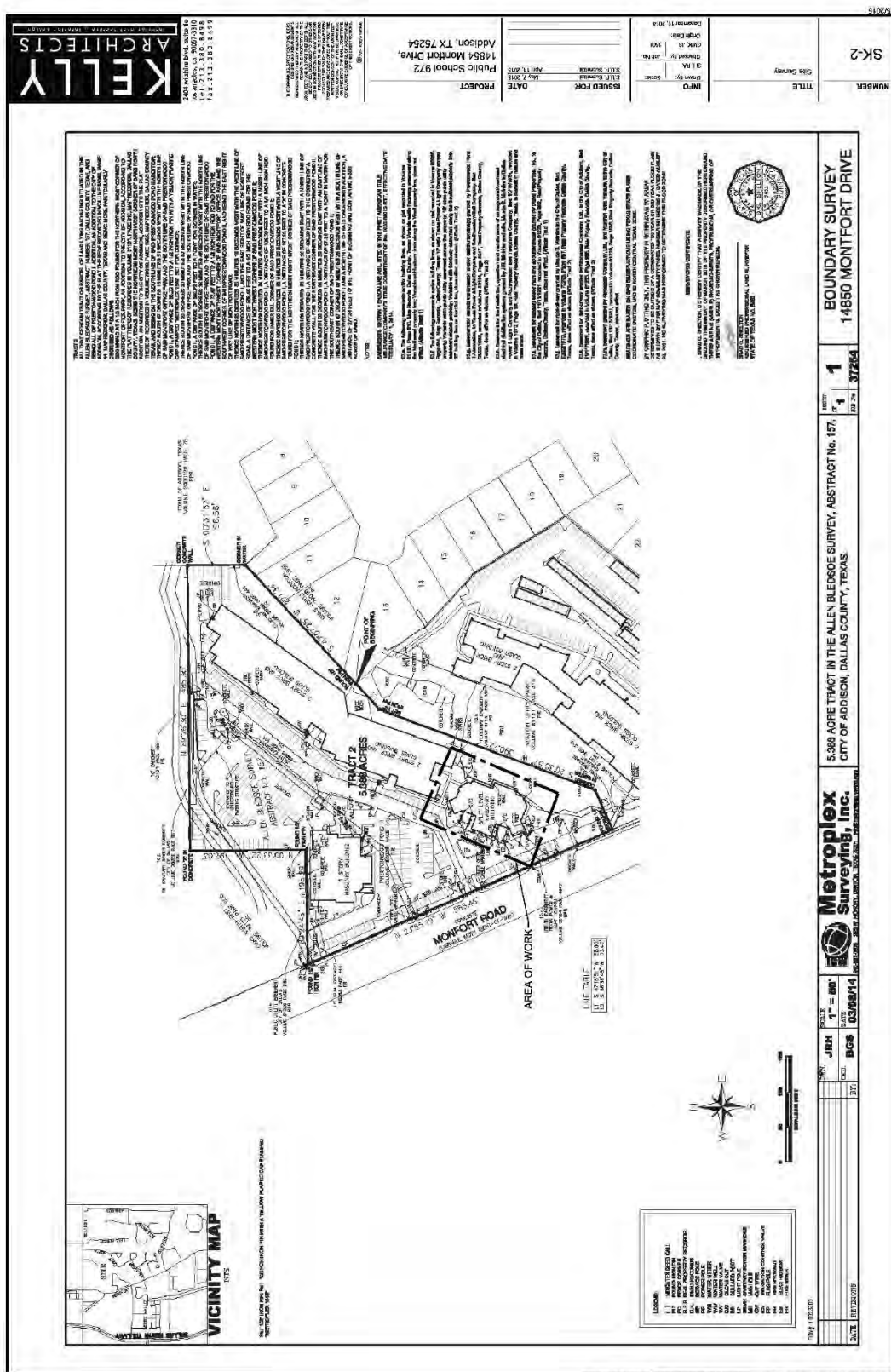


EXHIBIT A

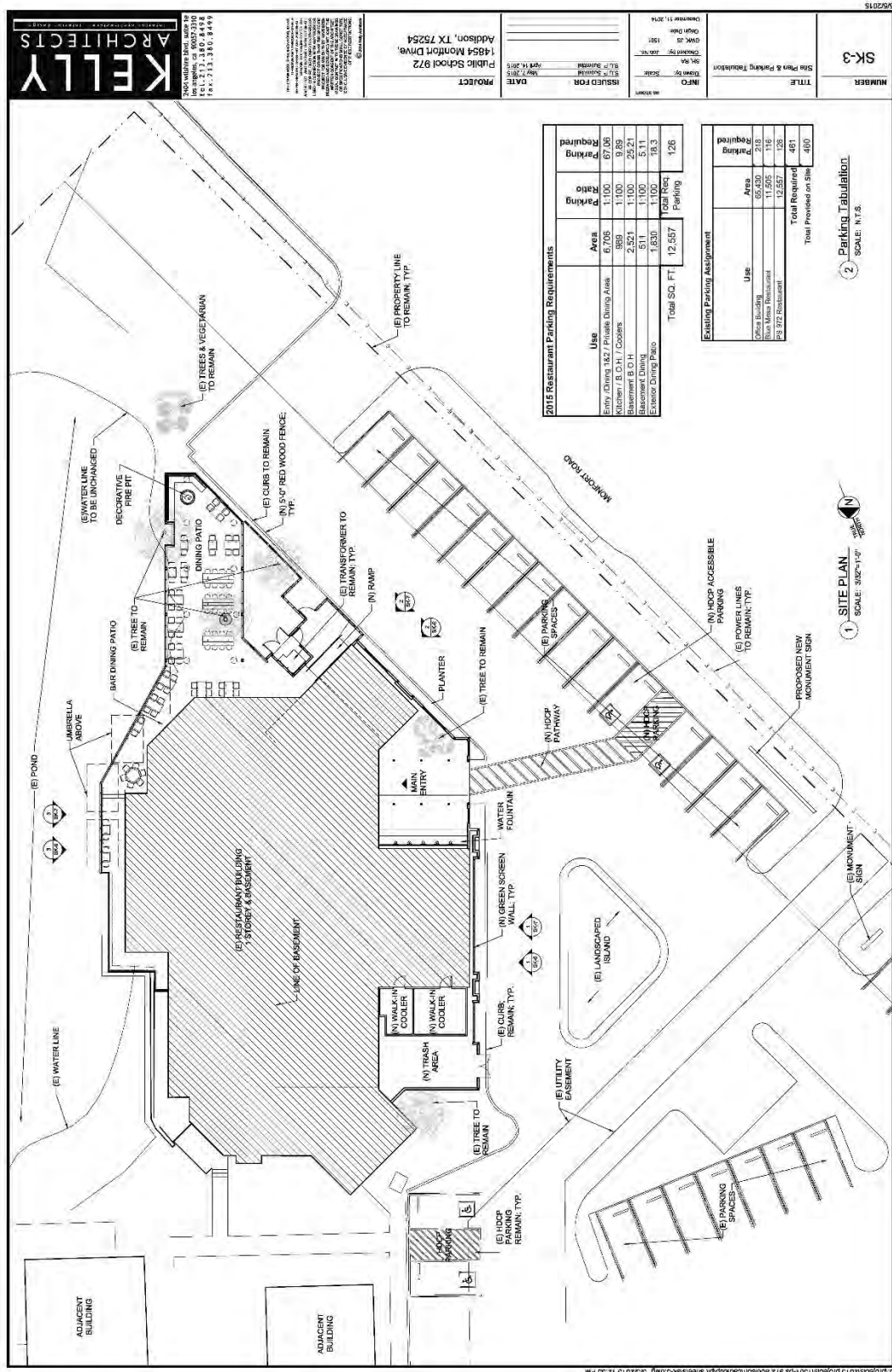


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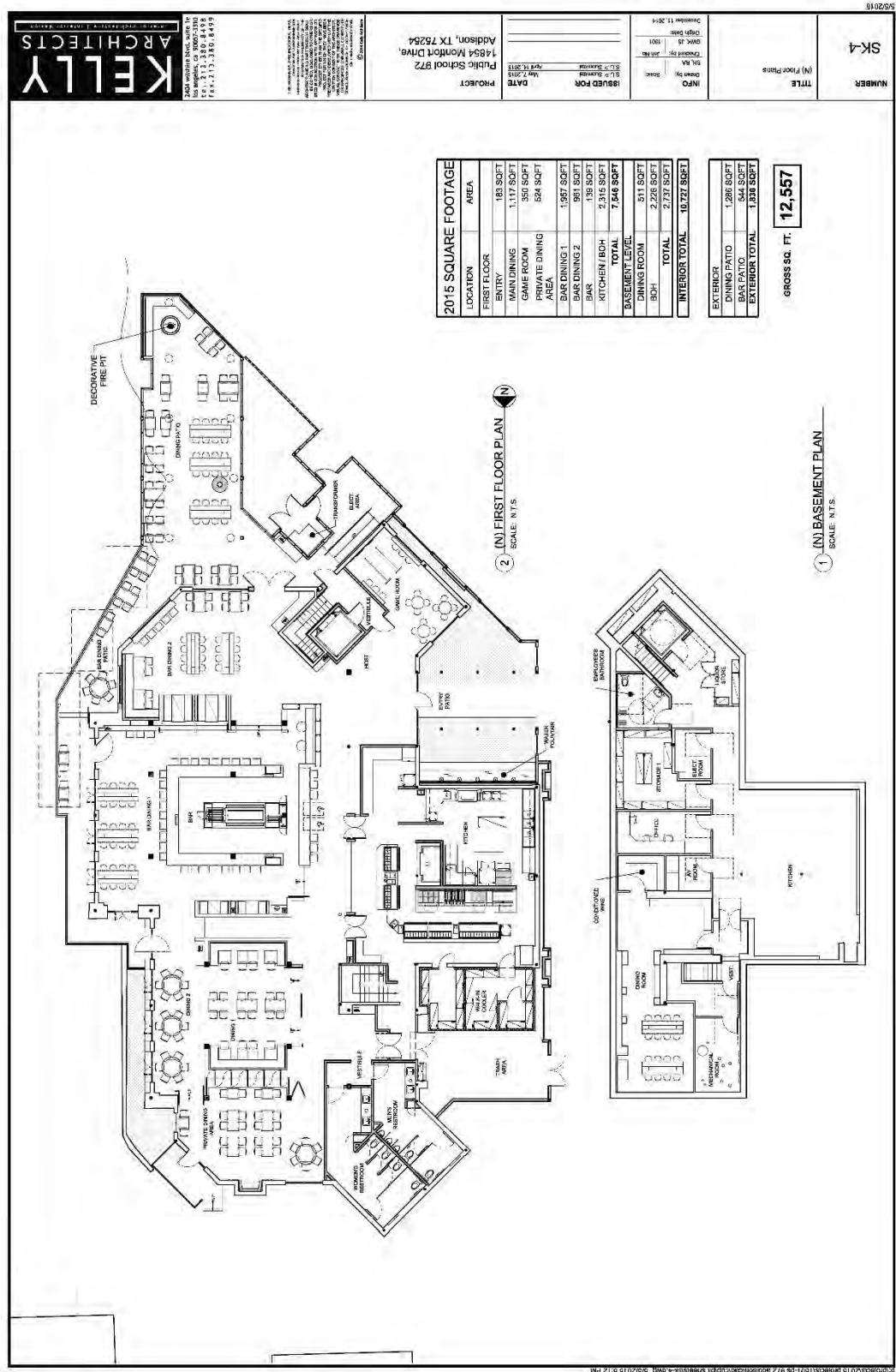


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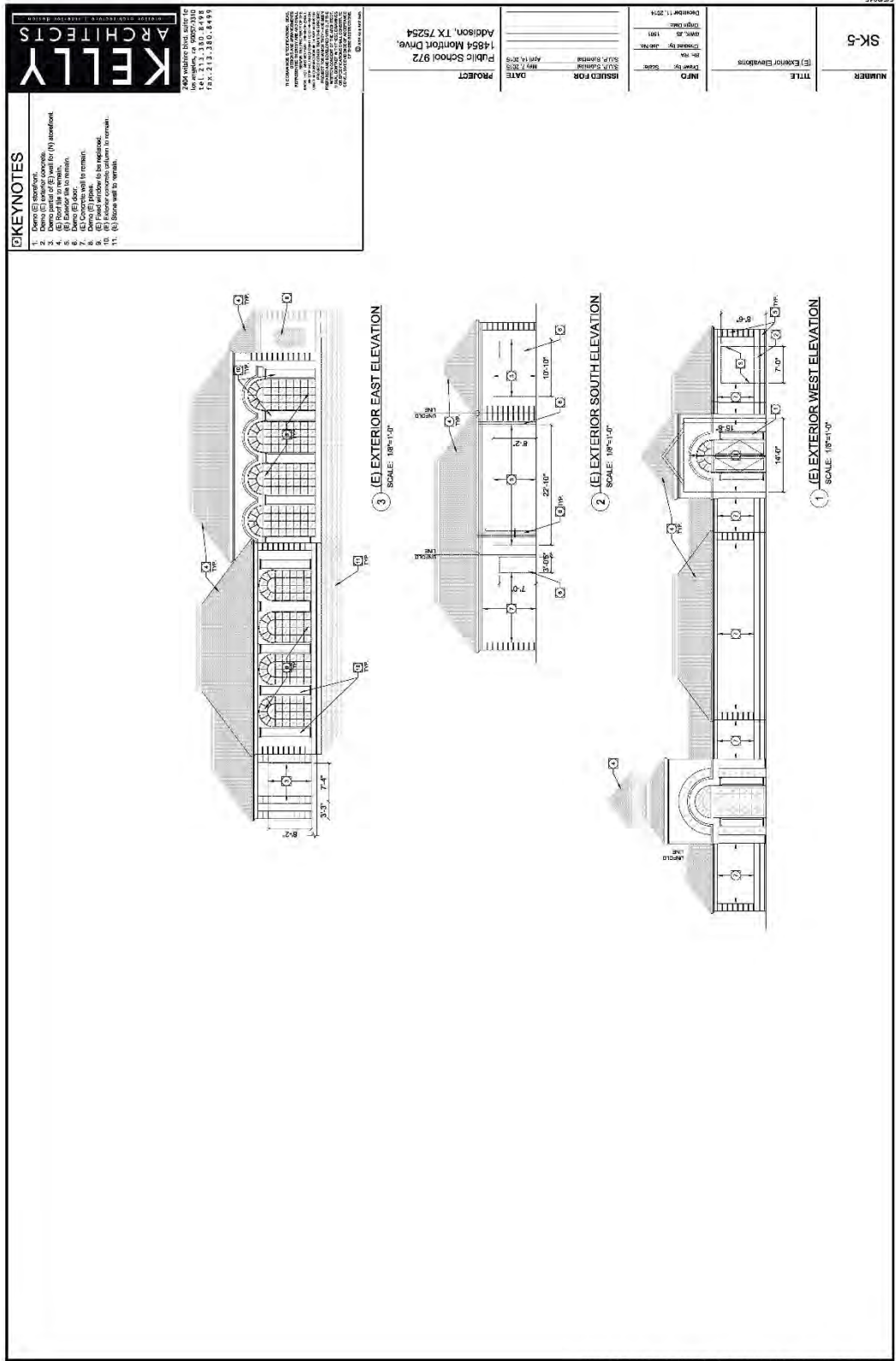


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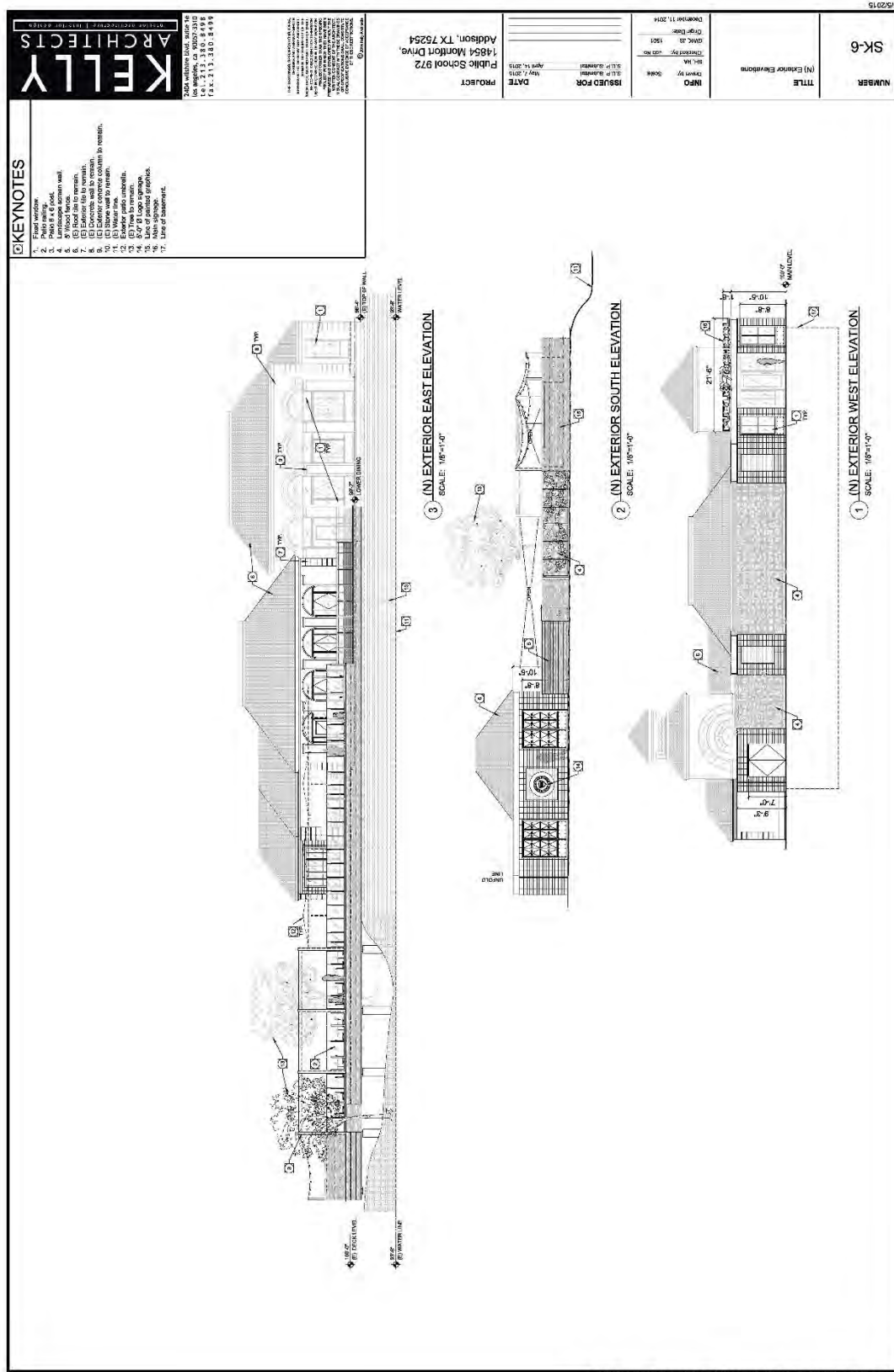


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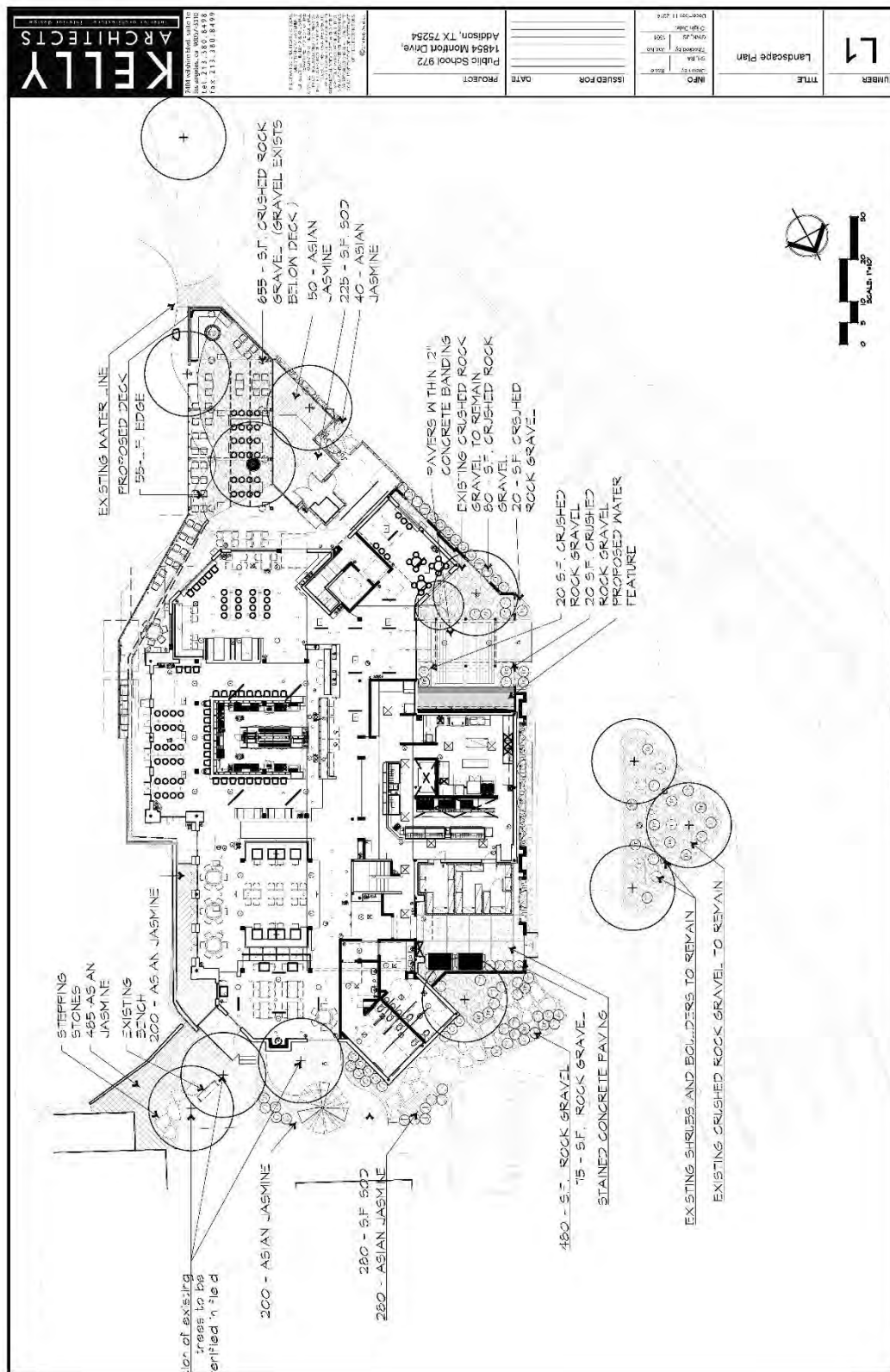


EXHIBIT A

Landscape Calculations

City of Austin Landscape Design Department

Project No. _____

Project Name _____

Project Address _____

Project Date _____

Project No. _____

Project Name _____

Project Address _____

Project Date _____

Landscape Maintenance Notes

Consult with Landscape Architect to determine maintenance requirements for all plants and trees. The following notes are provided for your reference. All plants and trees should be maintained in accordance with the City of Austin Landscape Design Department standards. The following notes are provided for your reference. All plants and trees should be maintained in accordance with the City of Austin Landscape Design Department standards.

1. General Maintenance:

- a. Watering: Water all plants and trees regularly, especially during dry periods. Watering should be done at least once a week, and more frequently during hot, dry weather.
- b. Fertilizing: Fertilize all plants and trees annually, or more frequently if needed. Fertilization should be done in the spring and fall.
- c. Pruning: Prune all plants and trees regularly, especially during the dormant season. Pruning should be done in the late winter or early spring.
- d. Weeding: Weed all plants and trees regularly, especially during the growing season. Weeding should be done in the spring and fall.
- e. Mulching: Mulch all plants and trees with a layer of mulch. Mulch should be applied in the spring and fall.
- f. Pest Control: Monitor all plants and trees for pests and diseases. Treat pests and diseases as soon as they are detected.
- g. Safety: Remove any dead or dying plants and trees. Remove any branches that are dead or dying. Remove any branches that are dead or dying.

2. Specific Plant Maintenance:

- a. **Large Ornamental Trees:** Large ornamental trees should be watered, fertilized, pruned, and weeded regularly. Large ornamental trees should be watered, fertilized, pruned, and weeded regularly.
- b. **Shrubs and Groundcover:** Shrubs and groundcover should be watered, fertilized, pruned, and weeded regularly. Shrubs and groundcover should be watered, fertilized, pruned, and weeded regularly.
- c. **Vines:** Vines should be watered, fertilized, pruned, and weeded regularly. Vines should be watered, fertilized, pruned, and weeded regularly.
- d. **Miscellaneous:** Miscellaneous plants and trees should be watered, fertilized, pruned, and weeded regularly. Miscellaneous plants and trees should be watered, fertilized, pruned, and weeded regularly.

Landscape Maintenance Notes

Consult with Landscape Architect to determine maintenance requirements for all plants and trees. The following notes are provided for your reference. All plants and trees should be maintained in accordance with the City of Austin Landscape Design Department standards. The following notes are provided for your reference. All plants and trees should be maintained in accordance with the City of Austin Landscape Design Department standards.

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- g. Safety: Remove any dead or dying plants and trees. Remove any branches that are dead or dying. Remove any branches that are dead or dying.

2. Specific Plant Maintenance:

- a. **Large Ornamental Trees:** Large ornamental trees should be watered, fertilized, pruned, and weeded regularly. Large ornamental trees should be watered, fertilized, pruned, and weeded regularly.
- b. **Shrubs and Groundcover:** Shrubs and groundcover should be watered, fertilized, pruned, and weeded regularly. Shrubs and groundcover should be watered, fertilized, pruned, and weeded regularly.
- c. **Vines:** Vines should be watered, fertilized, pruned, and weeded regularly. Vines should be watered, fertilized, pruned, and weeded regularly.
- d. **Miscellaneous:** Miscellaneous plants and trees should be watered, fertilized, pruned, and weeded regularly. Miscellaneous plants and trees should be watered, fertilized, pruned, and weeded regularly.

Landscape Maintenance Notes

Consult with Landscape Architect to determine maintenance requirements for all plants and trees. The following notes are provided for your reference. All plants and trees should be maintained in accordance with the City of Austin Landscape Design Department standards. The following notes are provided for your reference. All plants and trees should be maintained in accordance with the City of Austin Landscape Design Department standards.

1. General Maintenance:

- a. Watering: Water all plants and trees regularly, especially during dry periods. Watering should be done at least once a week, and more frequently during hot, dry weather.
- b. Fertilizing: Fertilize all plants and trees annually, or more frequently if needed. Fertilization should be done in the spring and fall.
- c. Pruning: Prune all plants and trees regularly, especially during the dormant season. Pruning should be done in the late winter or early spring.
- d. Weeding: Weed all plants and trees regularly, especially during the growing season. Weeding should be done in the spring and fall.
- e. Mulching: Mulch all plants and trees with a layer of mulch. Mulch should be applied in the spring and fall.
- f. Pest Control: Monitor all plants and trees for pests and diseases. Treat pests and diseases as soon as they are detected.
- g. Safety: Remove any dead or dying plants and trees. Remove any branches that are dead or dying. Remove any branches that are dead or dying.

2. Specific Plant Maintenance:

- a. **Large Ornamental Trees:** Large ornamental trees should be watered, fertilized, pruned, and weeded regularly. Large ornamental trees should be watered, fertilized, pruned, and weeded regularly.
- b. **Shrubs and Groundcover:** Shrubs and groundcover should be watered, fertilized, pruned, and weeded regularly. Shrubs and groundcover should be watered, fertilized, pruned, and weeded regularly.
- c. **Vines:** Vines should be watered, fertilized, pruned, and weeded regularly. Vines should be watered, fertilized, pruned, and weeded regularly.
- d. **Miscellaneous:** Miscellaneous plants and trees should be watered, fertilized, pruned, and weeded regularly. Miscellaneous plants and trees should be watered, fertilized, pruned, and weeded regularly.

AI-1170

9.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: City Manager

Council Goals: Enhance sense of community for all stakeholders/Expand Volunteer Opportunities

AGENDA CAPTION:

PUBLIC HEARING. Public hearing regarding the process and criteria for selecting a person to serve as the new City Manager.

BACKGROUND:

The public is invited to provide feedback to help identify criteria for the selection of the next city manager.

RECOMMENDATION:

N/A

AI-1171

10.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: City Manager

Council Goals: N/A

AGENDA CAPTION:

Presentation and discussion regarding an update on the search for the new city manager.

BACKGROUND:

The City Council will discuss any updates regarding the search for the new city manager.

RECOMMENDATION:

N/A

AI-1172

11.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Council

Council Goals: N/A

AGENDA CAPTION:

Discuss, consider and take action regarding appointments to the Finance Committee.

BACKGROUND:

The Finance Committee, a three member committee, serves in an advisory capacity to the City Council regarding financial matters. Committee members are nominated for a one year term by the Mayor each June. The City Council will consider each nomination. Committee members should demonstrate a strong financial knowledge base.

The approved Finance Committee Guidelines have been attached

RECOMMENDATION:

N/A

Attachments

Finance Committee Guidelines

PURPOSE

To assist the **City Council** in fulfilling its responsibilities pertaining to the Town's finances in accordance with the City Charter, Code of Ordinances, and applicable laws and regulations. The City Council will, at least one time each year, review whether or not the Finance Committee should be continued, with such review to occur at the first meeting in June or as soon thereafter as practicable.

RESPONSIBILITIES

The **Finance** Committee shall serve solely in an advisory capacity to the City Council. Among other matters that may be requested from time to time by the Council, the Finance Committee may review and make recommendations to the City Council regarding the following matters:

- quarterly financial reports prepared by the Town's chief financial officer that have been or are to be provided to the City Council;
- the Town's comprehensive financial annual report, the annual audit of the Town's finances, and the Town auditor's management letter or report on internal control, prior to their presentation and submission to the City Council;
- the long term debt capacity of the Town;
- engagement or re-engagement of one or more independent accounting firms to audit the financial statements for the then-current fiscal year or to provide other audit-related services; and
- the adequacy and implementation of any internal audit function.

Review and recommendations regarding the foregoing shall be informed by the financial policies, rules, and regulations of the Town, and by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework as applicable. The Committee shall provide regular reports to the City Council of the activities of the Committee.

It is anticipated that a process will be established to allow reporting by Town employees and third-party contractors of suspected financial fraud within the Town, and that such reporting will be made to the City Attorney. The City Attorney will provide a monthly summary to the chair of the Finance Committee of any reports received.

COMPOSITION

The **Finance** Committee will consist of three members of the City Council. It is anticipated that members will be appointed to the Committee at the first regular meeting of the City Council in June of each year or as soon thereafter as practicable. Committee membership will be for a period of one year, subject to the member's removal, resignation, or termination of the member's position as a member of the City Council. Members currently serving on the Finance Committee at the time these guidelines are approved by the City Council shall, subject to their removal, resignation, or termination of the member's position as a member of the City Council, continue to serve as members of the Committee until, and may be reappointed to the Committee at, the first regular meeting in June 2015 or as soon thereafter as practicable.

Each member is to be nominated by the Mayor, and the Council will consider each nomination and vote to approve or disapprove the same. It is the intent of these guidelines that each Committee member be financially literate, with members, if available on the Council, having a demonstrated financial background such as in banking, accounting, and/or finance.

The City Council will make a determination each year as to whether or not the Committee should be continued, which determination shall be made at the first regular meeting of the City Council in June of each year or as soon thereafter as practicable and prior to the Council's annual appointment of Committee members.

The Committee may be terminated or discontinued by the City Council at any time and for any reason or for no reason, at which time the membership of each then-current member shall terminate.

MEETINGS

The **Finance** Committee will meet at least quarterly (each quarterly meeting being a regular meeting), and may convene additional meetings as it deems appropriate. Such meetings will be on dates and at times as approved by all of the member of the Committee. All Committee members are expected to attend each meeting, in person or via tele- or video-conference, but it is understood that a member may miss a meeting for illness or emergency (as reasonably determined by the Committee member), and may otherwise be excused from a meeting by the Committee. The Committee may invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

A quorum of the Committee shall consist of a majority of the entire membership of the Committee. The affirmative vote of a majority of the members of the Committee present at a Committee meeting shall be necessary to adopt or approve any matter or to take any action.

AI-1162

12.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Infrastructure- Development Services

Council Goals: N/A

AGENDA CAPTION:

Discuss, consider and take action regarding an appointment to the Planning and Zoning Commission.

BACKGROUND:

Commissioner Kathryn Wheeler's third term on the Planning and Zoning Commission expired on April 9, 2015. This appointment belongs to Council Member Arfsten.

RECOMMENDATION:

N/A

AI-1161

13.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Infrastructure- Development Services

Council Goals: N/A

AGENDA CAPTION:

Discuss, consider and take action regarding an appointment to the Board of Zoning Adjustment.

BACKGROUND:

Troy Cooper's first term on the Board of Zoning Adjustment expired on May 28th. This appointment belongs to Council Member Moore.

RECOMMENDATION:

N/A

AI-1002

14.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Parks & Recreation

Council Goals: Raise property values
Infrastructure improvement and maintenance
Implement bond propositions
Enhance Public Safety

AGENDA CAPTION:

Discuss, consider and take action regarding a resolution approving Service Agreements with Oncor Electric Delivery Company LLC for the Beltway/Proton Pedestrian Connectivity Project.

BACKGROUND:

This agreement will allow Oncor Electric Delivery to install the street lighting in conjunction with Phase 2 of the Pedestrian Connectivity Project (Beltway/Proton). The services within the agreements include: removal of the existing street lighting; boring, relocation and replacement of existing services; and the installation of new street lighting (see attachments). The total cost for the three service agreements is \$194,625.00

RECOMMENDATION:

Administration recommends approval.

Fiscal Impact

Budgeted Yes/No: Yes

Funding Source: 2012 Capital Project Fund

Amount: \$194,624.65

Attachments

Resolution

TOWN OF ADDISON, TEXAS

RESOLUTION NO. R15-022

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AGREEMENTS BETWEEN ONCOR AND TOWN OF ADDISON FOR BELTWAY DRIVE STREET LIGHT REMOVAL AND INSTALLATION IN THE AMOUNT OF \$194,624.65, AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENTS, AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. The Supplement to the Agreement for Street Lighting Service (WR# 3268752) between Oncor and Town of Addison in the amount of \$9,272.64 for Beltway Drive street light removal, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved.

Section 2. The Supplement to the Agreement for Street Lighting Service (WR# 3256961) between Oncor and Town of Addison in the amount of \$121,840.25 for Beltway Drive street light installation, a copy of which is attached to this Resolution as **Exhibit B**, is hereby approved.

Section 3. The Discretionary Service Agreement (WR# 3270327) between Oncor and the Town of Addison in the amount of \$63,511.76 for conduit and electrical equipment for new pedestrian lighting on Beltway Drive, a copy of which is attached hereto as **Exhibit C**, is hereby approved.

Section 4. The City Manager is authorized to execute the agreements approved herein.

Section 5. This Resolution shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 9th day of June, 2015.

Todd Meier, Mayor

ATTEST:

By: _____
Chelsea Gonzalez, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda N. McDonald, City Attorney

EXHIBIT A



EXHIBIT "A" – Registered

WR #: 3268752 Project Name: Addison- Remove Street lights- Beltway Drive

SUPPLEMENT TO THE AGREEMENT FOR STREET LIGHTING SERVICE BY AND BETWEEN
ONCOR ELECTRIC DELIVERY COMPANY AND The Town of Addison

This Supplement ("Supplement") to the Agreement for Street Lighting Service dated _____ ("Agreement"), is made and entered into this 25th day of February, 2015, by Oncor Electric Delivery Company LLC, a Delaware limited liability company ("Company") and The Town of Addison ("Customer") both hereinafter referred to as the "Parties." In consideration of the mutual promises and undertakings herein set forth, the Parties hereby agree to amend the Agreement as follows:

1. The following Request for Street Lighting Service is hereby added to the Agreement:

Request for Street Lighting Service dated _____, attached hereto.

2. This Supplement shall become effective upon execution by the Parties.
3. This Supplement is subject to the terms and conditions of the Agreement.
4. If Customer has arranged for its designated agent or representative ("Customer's Agent") to pay to Company the contribution-in-aid-of-construction ("CIAC") referenced in the Agreement, then Customer's Agent shall execute this Amendment for the sole purpose of establishing such agent's agreement to pay such CIAC.
5. Except as otherwise provided herein, the Agreement shall continue in full force and effect in accordance with its terms.

IN WITNESS HEREOF, the Parties have caused this Supplement to be executed in several counterparts, each of which shall be deemed an original but all shall constitute one and the same instrument.

ONCOR ELECTRIC DELIVERY COMPANY

The Town of Addison

Rick Fielding
Digitally signed by Rick Fielding
DN: cn=Rick Fielding, o=Oncor Electric Delivery Company LLC,
Date: 2015.02.25 11:25:51 -0500

Signature - Oncor Representative

Signature – Customer Representative

Rick Fielding
Printed Name – Oncor Representative

Printed Name – Customer Representative

Project Manager
Title - Oncor Representative

Title – Customer Representative

2-25-2015
Date Signed – Oncor Representative

Date Signed – Customer Representative

For CIAC purposes only pursuant to Section (4) above

Signature – Customer's Agent

Printed Name – Customer's Agent

Title - Customer's Agent

Date Signed – Customer's Agent

88332.010002 DALLAS 49285v1



EXHIBIT "B" – WR

REQUEST FOR STREET LIGHTING SERVICE

Actions: **A**-Addition **R**-Removal **RL**-Relocation **S**-Service (Schedule D – Only) Page 1 of 3

ESID Premise	Action	Order required from CR to Energize – Yes/No (For New ESID Only)	Qty	Wattage	Lamp Type	Rate Schedule**	Identifying Luminaire/ Pole Type	Location (Address, etc.) (See Attached Sketch)
4400337	R		1	100	HPS	B	Rectangular/ 30" Square	Beltway 1 st E of Marsh FLN#2197-467-8628
6000145	R		1	100	HPS	A	Rectangular/ 30" Square	Beltway 1 st E of Marsh FLN#2197-467-8628
4400337	R		1	100	HPS	B	Rectangular/ 30" Square	Beltway 2 nd E of Marsh FLN#2198-467-0423
6000145	R		1	100	HPS	A	Rectangular/ 30" Square	Beltway 2 nd E of Marsh FLN#2198-467-0423
4400337	R		1	100	HPS	B	Rectangular/ 30" Square	Beltway 3 rd E of Marsh FLN#2198-467-2212
4400585	R		2	250	HPS	A	Rectangular/ 30" Square	Beltway Dr @ Park Place FLN#2198-467-2212
4400585	R		2	250	HPS	A	Rectangular/ 30" Square	3700 Beltway Dr FLN#2198-466-3899
4400616	R		1	250	HPS	B	Rectangular/ 30" Square	Beltway 1 st E of Les Lacs FLN#2198-466-3899
4400585	R		1	250	HPS	A	Rectangular/ 30" Square	Belt Way 5 E Marsh FLN#2198-466-5791
4400616	R		1	250	HPS	B	Rectangular/ 30" Square	Belt Way 5 E Marsh FLN#2198-466-5791
4400337	R		1	100	HPS	B	Rectangular/ 30" Square	Beltway 3 rd E of Les Lacs FLN#2198-466-7988
6000145	R		1	100	HPS	A	Rectangular/ 30" Square	Beltway 3 rd E of Les Lacs FLN#2198-466-7988
4400616	R		1	250	HPS	B	Rectangular/ 30" Square	Beltway 3 rd W of Proton FLN#2199-466-0190

WR Number(s): 3268752 Date: February 25, 2015



EXHIBIT "B" – WR

REQUEST FOR STREET LIGHTING SERVICE

Actions: *A*-Addition *R*-Removal *RL*-Relocation *S*-Service (Schedule D – Only) Page 2 of 3

ESID Premise	Action	Order required from CR to Energize – Yes/No (For New ESID Only)	Qty	Wattage	Lamp Type	Rate Schedule**	Identifying Luminaire/ Pole Type	Location (Address, etc.) (See Attached Sketch)
4400585	R		1	250	HPS	A	Rectangular/ 30' Square	Beltway 3 rd W of Proton FLN#2199-466-0190
4400616	R		1	250	HPS	B	Rectangular/ 30' Square	Beltway 2 nd W of Proton FLN#2199-466-2099
4400585	R		1	250	HPS	A	Rectangular/ 30' Square	Beltway 2 nd W of Proton FLN#2199-466-2099
6000145	R		1	100	HPS	A	Rectangular/ 30' Square	Beltway 1 st W of Proton FLN#2199-467-3812
4400337	R		1	100	HPS	B	Rectangular/ 30' Square	Beltway 1 st W of Proton FLN#2199-467-3812
6000145	R		2	100	HPS	A	Rectangular/ 30' Square	Beltway 1 st E of Proton FLN#2199-467-5231
4400585	R		1	250	HPS	A	Rectangular/ 30' Square	Beltway 2 nd E of Proton FLN#2199-467-6549
4400616	R		1	250	HPS	B	Rectangular/ 30' Square	Beltway 2 nd E of Proton FLN#2199-467-6549
4400585	R		1	250	HPS	A	Rectangular/ 30' Square	Beltway 3 rd E of Proton FLN#2199-467-8070
4400616	R		1	250	HPS	B	Rectangular/ 30' Square	Beltway 3 rd E of Proton FLN#2199-467-8070
4400585	R		2	250	HPS	A	Rectangular/ 30' Square	Beltway 4 th E of Proton FLN#2199-467-9181
4400337	R		1	100	HPS	B	Cobrahead/ Wood	Beltway 1 st E of Surveyor FLN#2201-467-0291
6000145	R		1	100	HPS	A	Cobrahead/ Wood	Beltway 1 st E of Surveyor FLN#2201-467-0291

WR Number(s): 3268752 Date: February 25, 2015



EXHIBIT "B" – WR

REQUEST FOR STREET LIGHTING SERVICE

Actions: **A**-Addition **R**-Removal **RL**-Relocation **S**-Service (Schedule D – Only) Page 3 of 3

ESID Premise	Action	Order required from CR to Energize – Yes/No (For New ESID Only)	Qty	Wattage	Lamp Type	Rate Schedule**	Identifying Luminaire/Pole Type	Location (Address, etc.) (See Attached Sketch)
6000145	R		1	100	HPS	A	Cobrahead/Wood	Beltway FLN#2201-468-5904
4400647	R		1	400	MV	A	Cobrahead/30' Round	4202 Beltway FLN#2203-468-3618
4400647	R		1	400	MV	A	Cobrahead/30' Round	4452 Beltway FLN#2203-468-8723
8291702	R		1	200	HPS	A	Cobrahead/30' Round	4532 Beltway FLN#2204-468-4259
4400647	R		1	400	MV	A	Cobrahead/30' Round	4542 Beltway FLN#2204-468-4279
4400647	R		1	400	MV	A	Cobrahead/30' Round	4532 Beltway FLN#2204-468-4193
Comments:								

**Unmetered Facilities -- Schedule A (Group 1 or 2), B (Group 1 or 2), C (Group 1 or 2), or D; R (Rectangular); P (Post-Top); H (Historical) ;

CLOSED/REMOVE ONLY 1 (Incandescent); W (Wallpack Mercury Vapor);

Metered Facilities -- Non-Company-Owned; or

Metered Facilities -- Company-Owned (closed to new installations)

1. Customer or Developer agrees to pay Company contribution-in-aid-of-construction in the amount of \$9,272.64.
2. If Company is prevented from installing the requested facilities by any event of force majeure as defined in Section 5.2.4 of Company's Tariff for Retail Delivery Service, Company will return to Customer or Developer as appropriate, without interest, the entire amount of Customer or Developer's contribution-in-aid-of-construction payment, thereby terminating this supplement and Company's obligation to provide facilities requested herein.

WR Number(s): 3268752

Date: February 25, 2015

EXHIBIT A

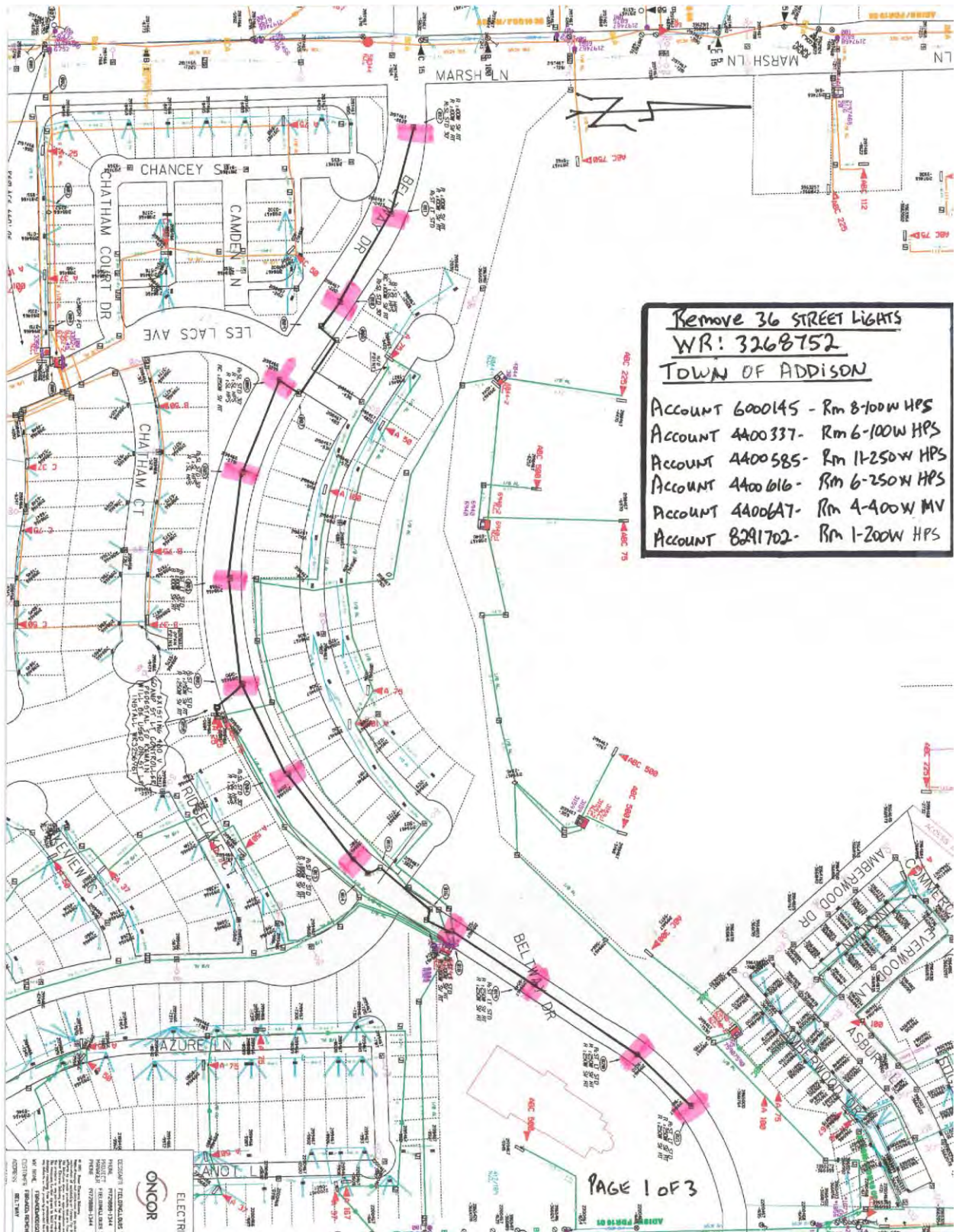


EXHIBIT A

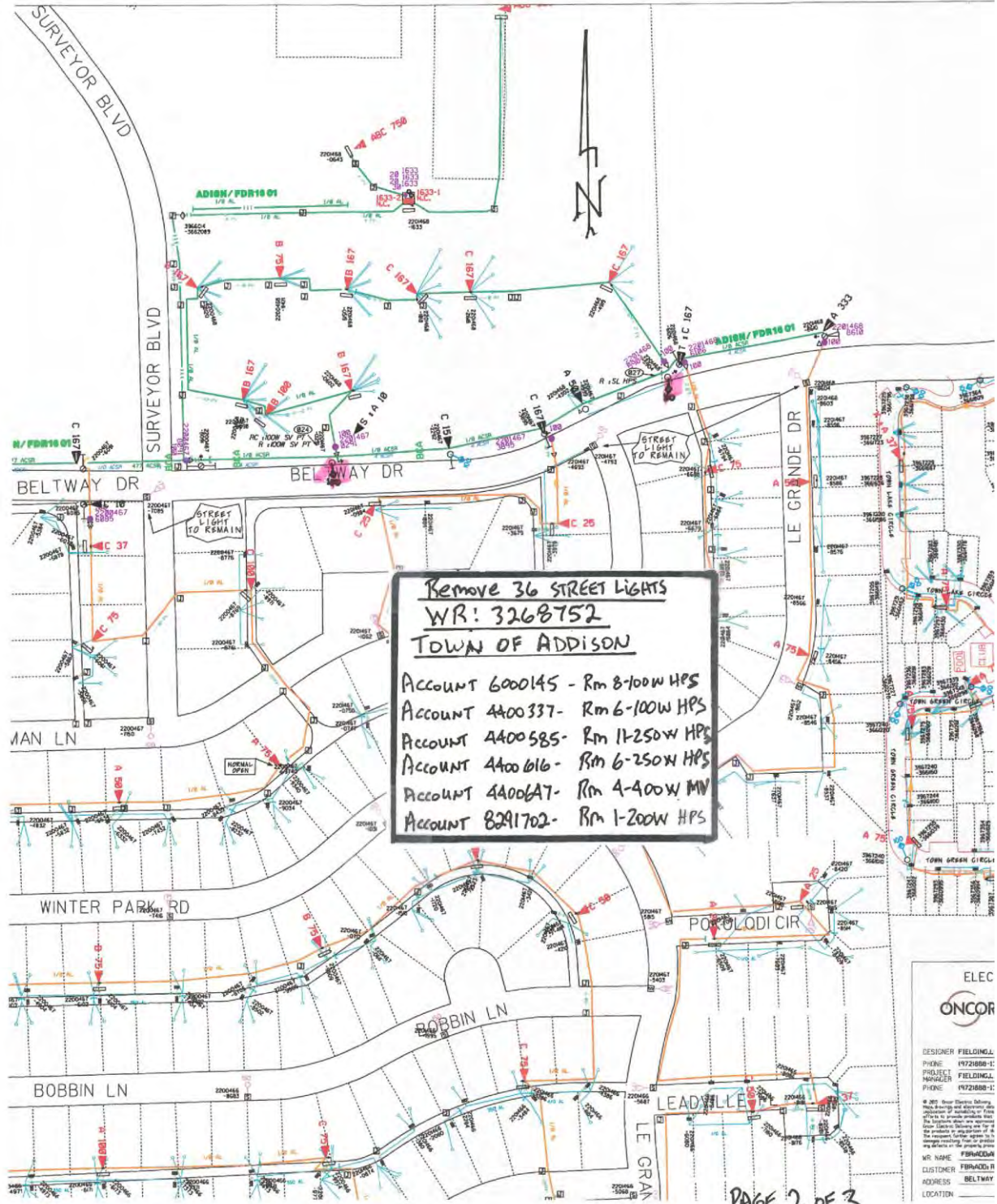
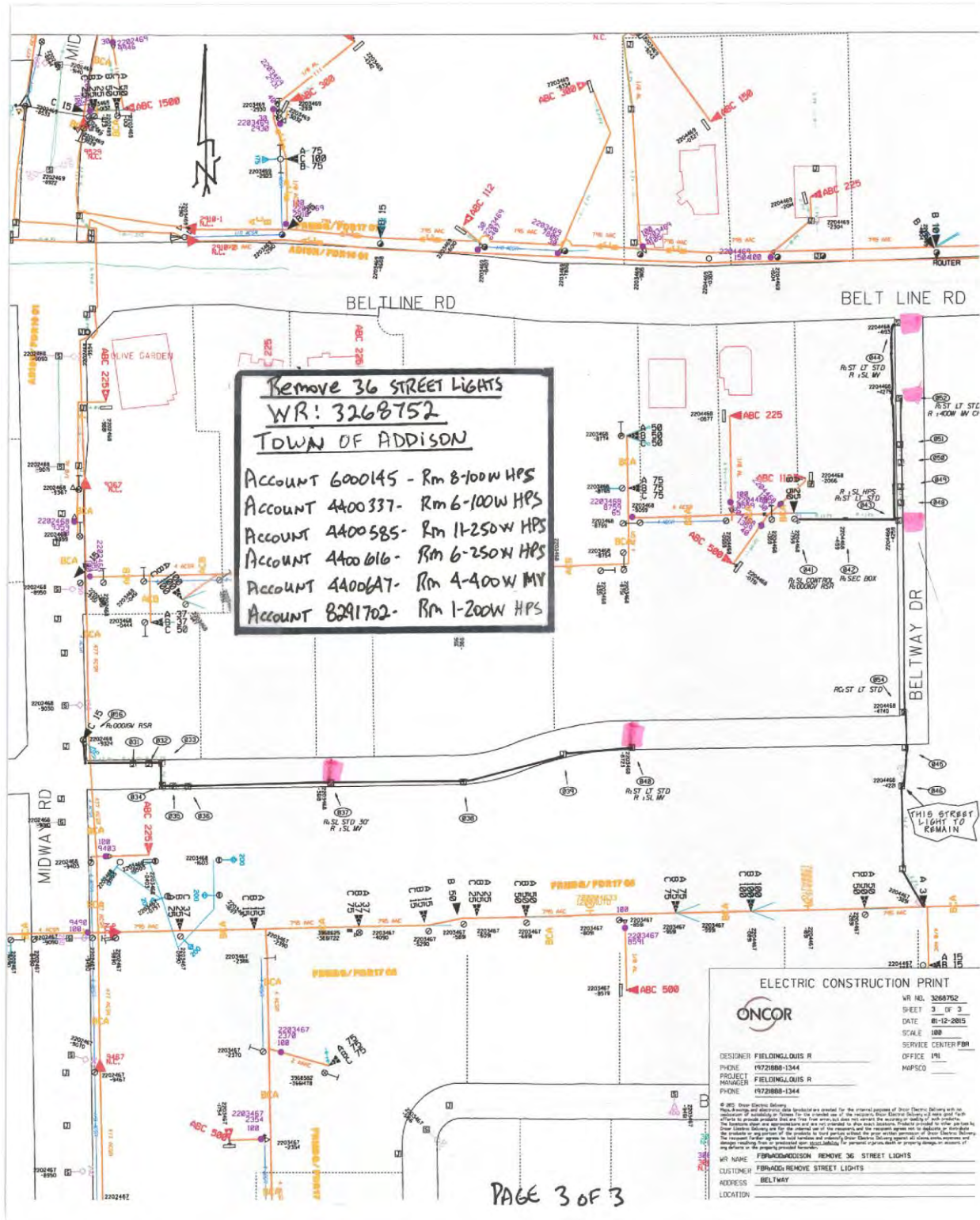


EXHIBIT A



PAGE 3 OF 3

EXHIBIT A

**Oncor Electric Delivery Company LLC,
a Delaware limited liability company**

Rick Fielding
Project Manager
14400 Josey Lane
Farmers Branch, Texas 75234
469-261-5255 Rick.fielding@Oncor.com

Town of Addison
Attn: Slade Strickland
16801 Westgrove Drive
Addison, Tx. 75001

Statement of Charges

Date: 02-26-15

WR #: 3268752

Transaction ID: 33890

Services provided at:
Beltway Drive
Addison, Texas 75001

DESCRIPTION	AMOUNT
Remove 26 Rectangular Street lights on 13- 30' square Poles, 2 Cobrahead street lights with 6' arms on wood poles, 5 Cobrahead street lights with 6' arms on 30' round steel poles, 5000' of #4 al duplex street light secondary, 1 st lt pole riser, and 1-10KVA OH Transformer.	9,272.64
Total Amount Due Upon Receipt	\$9,272.64

* Price quoted is valid for sixty (60) days from the date of this document.

* Permit payment per instructions below.

* Project will be scheduled upon Project Manager's receipt of Executed Agreement(s).

* Payment is expected within 30 days from completion date of project.

* Please contact your Project Manager if you have any questions.

EFT / Electronic Funds Transfer

JP Morgan Chase Bank

ABA No. (Wire) 021000021

ABA No. (ACH) 111000614

For Credit To:

Oncor Electric Delivery

Acct #: 08806169791

*Once EFT has been initiated please forward
confirmation number and transfer date to:*

Please make all check(s) payable to

Oncor Electric Delivery

Permit to:

Vickie Coe

Oncor Electric Delivery

1545 High Point Dr

Mesquite TX 75149

*Please Include the WR # and Transaction ID (as listed above) on all
correspondence including your Check or EFT.*

Failure to do so will cause unnecessary delays with your project.



EXHIBIT B



EXHIBIT "A" – Registered

WR #: 3256961 Project Name: Addison- Install 82 Street Lights- Beltway Drive

**SUPPLEMENT TO THE AGREEMENT FOR STREET LIGHTING SERVICE BY AND BETWEEN
ONCOR ELECTRIC DELIVERY COMPANY AND Town of Addison**

This Supplement ("Supplement") to the Agreement for Street Lighting Service dated _____ ("Agreement"), is made and entered into this 3rd day of March, 2015, by Oncor Electric Delivery Company LLC, a Delaware limited liability company ("Company") and Town of Addison ("Customer") both hereinafter referred to as the "Parties." In consideration of the mutual promises and undertakings herein set forth, the Parties hereby agree to amend the Agreement as follows:

1. The following Request for Street Lighting Service is hereby added to the Agreement:

Request for Street Lighting Service dated _____, attached hereto.

2. This Supplement shall become effective upon execution by the Parties.
3. This Supplement is subject to the terms and conditions of the Agreement.
4. If Customer has arranged for its designated agent or representative ("Customer's Agent") to pay to Company the contribution-in-aid-of-construction ("CIAC") referenced in the Agreement, then Customer's Agent shall execute this Amendment for the sole purpose of establishing such agent's agreement to pay such CIAC.
5. Except as otherwise provided herein, the Agreement shall continue in full force and effect in accordance with its terms.

IN WITNESS HEREOF, the Parties have caused this Supplement to be executed in several counterparts, each of which shall be deemed an original but all shall constitute one and the same instrument.

ONCOR ELECTRIC DELIVERY COMPANY

Town of Addison

Rick Fielding
Digitally signed by Rick Fielding
DN: cn=Rick Fielding, o=Oncor Electric Delivery Company LLC,
c=US

Signature - Oncor Representative

Signature – Customer Representative

Rick Fielding
Printed Name – Oncor Representative

Printed Name – Customer Representative

Project Manager
Title - Oncor Representative

Title – Customer Representative

3-3-2015
Date Signed – Oncor Representative

Date Signed – Customer Representative

For CIAC purposes only pursuant to Section (4) above

Signature – Customer's Agent

Printed Name – Customer's Agent

Title - Customer's Agent

Date Signed – Customer's Agent

88332.010002 DALLAS 49285v1

**EXHIBIT "B" – WR 3256961****REQUEST FOR STREET LIGHTING SERVICE**

Actions: <i>A</i> -Addition		<i>R</i> -Removal	<i>RL</i> -Relocation		<i>S</i> -Service (<i>Schedule D – Only</i>)		<i>Page 1 of 5</i>	
ESID Premise	Action	Order required from CR to Energize – Yes/No (For New ESID Only)	Qty	Wattage	Lamp Type	Rate Schedule**	Identifying Luminaire/ Pole Type	Location (Address, etc.) (See Attached Sketch)
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 1 st P E of Marsh Ln FLN#3963055-3660962
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 2 nd P E of Marsh Ln FLN#3963190-3660952
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 3 rd P E of Marsh Ln FLN#3963296-3660920
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 3 rd P W of Les Lacs Ave. FLN#3963388-3660874
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 2 nd P W of Les Lacs Ave. FLN#3963477-3660817
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 1 st P W of Les Lacs Ave. FLN#3963563-3660759
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 1 st P E of Les Lacs Ave. FLN#3963680-3660681
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 2 nd P E of Les Lacs Ave. FLN#3963767-3660639
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 3 rd P E of Les Lacs Ave. FLN#3963859-3660608
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 4 th P E of Les Lacs Ave. FLN#3963964-3660586
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 5 th P E of Les Lacs Ave. FLN#3964065-3660579
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 6 th P E of Les Lacs Ave. FLN#3964158-3660585
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 7 th P E of Les Lacs Ave. FLN#3964246-3660601

WR Number(s): 3256961Date: March 3, 2015



EXHIBIT "B" – WR 3256961

REQUEST FOR STREET LIGHTING SERVICE

Actions: <i>A</i> -Addition		<i>R</i> -Removal	<i>RL</i> -Relocation		<i>S</i> -Service (<i>Schedule D – Only</i>)		<i>Page 2 of 5</i>	
ESID Premise	Action	Order required from CR to Energize – Yes/No (For New ESID Only)	Qty	Wattage	Lamp Type	Rate Schedule**	Identifying Luminaire/ Pole Type	Location (Address, etc.) (See Attached Sketch)
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 5 th P W of Proton FLN#3964346-3660632
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 4 th P W of Proton FLN#3964453-3660684
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 3 rd P W of Proton FLN#3964557-3660754
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 2 nd P W of Proton FLN#3964625-3660817
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 1 st P W of Proton FLN#3964681-3660886
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 1 st P E of Proton FLN#3964759-3660995
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 2 nd P E of Proton FLN#3964816-3661080
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 3 rd P E of Proton FLN#3964877-3661175
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 4 th P E of Proton FLN#3964944-3661276
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 5 th P E of Proton FLN#3965015-3661389
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 6 th P E of Proton FLN#3965090-3661486
8841146	I		2	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 7 th P E of Proton FLN#3965191-3661568
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 3 rd P W of Surveyor Blvd. FLN#3965597-3661657

WR Number(s): 3256961

Date: March 3, 2015



EXHIBIT "B" – WR 3256961

REQUEST FOR STREET LIGHTING SERVICE

Actions: *A*-Addition *R*-Removal *RL*-Relocation *S*-Service (Schedule D – Only) Page 3 of 5

ESID Premise	Action	Order required from CR to Energize – Yes/No (For New ESID Only)	Qty	Wattage	Lamp Type	Rate Schedule**	Identifying Luminaire/ Pole Type	Location (Address, etc.) (See Attached Sketch)
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 2 nd P W of Surveyor Blvd. FLN#3965758-3661656
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 1 st P W of Surveyor Blvd. FLN#3965926-3661654
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 1 st P E of Surveyor Blvd. FLN#3966027-3661656
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 2 nd P E of Surveyor Blvd. FLN#3966181-3661661
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 3 rd P E of Surveyor Blvd. FLN#3966330-3661667
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 2 nd P W of Morman Ln. FLN#3966503-3661674
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 1 st P W of Morman Ln. FLN#3966666-3661727
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 1 st P E of Morman Ln. FLN#3966805-3661791
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 1 st P W of Le Grande Dr. FLN#3966967-3661835
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 1 st P E of Le Grande Dr. FLN#3967130-3661854
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 2 nd P E of Le Grande Dr. FLN#3967283-3661856
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 3 rd P E of Le Grande Dr. FLN#3967430-3661872
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 4 th P W of Midway Rd. FLN#3967581-3661913

WR Number(s): 3256961

Date: March 3, 2015



EXHIBIT "B" – WR 3256961

REQUEST FOR STREET LIGHTING SERVICE

Actions: *A*-Addition *R*-Removal *RL*-Relocation *S*-Service (Schedule D – Only) Page 4 of 5

ESID Premise	Action	Order required from CR to Energize – Yes/No (For New ESID Only)	Qty	Wattage	Lamp Type	Rate Schedule**	Identifying Luminaire/ Pole Type	Location (Address, etc.) (See Attached Sketch)
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 3 rd P W of Midway Rd. FLN#3967733-3661972
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 2 nd P W of Midway Rd. FLN#3967884-3662002
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. @ Midway Rd. NW Corner FLN#3968042-3662008
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. @ Midway Rd. SW Corner FLN#3968054-3661962
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. @ Midway Rd. NE Corner FLN#3968203-3661999
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. @ Midway Rd. SE Corner FLN#3968216-3661969
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 2 nd P E of Midway Rd. FLN#3968289-3662001
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 3 rd P E of Midway Rd. FLN#3968419-3662007
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 4 th P E of Midway Rd. FLN#3968574-3662012
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 5 th P E of Midway Rd. FLN#3968729-3662010
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 6 th P E of Midway Rd. FLN#3968887-3662026
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 7 th P E of Midway Rd. FLN#3969063-3662071
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 8 th P E of Midway Rd. FLN#3969255-3662076

WR Number(s): 3256961

Date: March 3, 2015



EXHIBIT "B" – WR 3256961

REQUEST FOR STREET LIGHTING SERVICE

Actions: <i>A</i> -Addition		<i>R</i> -Removal	<i>RL</i> -Relocation	<i>S</i> -Service (Schedule D – Only)			Page 5 of 5	
ESID Premise	Action	Order required from CR to Energize – Yes/No (For New ESID Only)	Qty	Wattage	Lamp Type	Rate Schedule**	Identifying Luminaire/ Pole Type	Location (Address, etc.) (See Attached Sketch)
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 9 th P E of Midway Rd. FLN#3969444-3662074
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 4 th P S of Belt Line Rd. FLN#3969590-3662136
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 3 rd P S of Belt Line Rd. FLN#3969589-3662309
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 2 nd P S of Belt Line Rd. FLN#3969587-3662495
8841146	I		1	150	MH	A	Hanover/ 16' Philadelphia	Beltway Dr. 1 st P S of Belt Line Rd. FLN#3969582-3662673
Comments:								

**Unmetered Facilities -- Schedule A (Group 1 or 2), B (Group 1 or 2), C (Group 1 or 2), or D; R (Rectangular); P (Post-Top); H (Historical) ;
CLOSED/REMOVE ONLY I (Incandescent); W (Wallpack Mercury Vapor);
Metered Facilities – Non-Company-Owned; or
Metered Facilities – Company-Owned (closed to new installations)

1. Customer or Developer agrees to pay Company contribution-in-aid-of-construction in the amount of \$121,840.25.
2. If Company is prevented from installing the requested facilities by any event of force majeure as defined in Section 5.2.4 of Company's Tariff for Retail Delivery Service, Company will return to Customer or Developer as appropriate, without interest, the entire amount of Customer or Developer's contribution-in-aid-of-construction payment, thereby terminating this supplement and Company's obligation to provide facilities requested herein.

WR Number(s): 3256961

Date March 3, 2015

EXHIBIT B

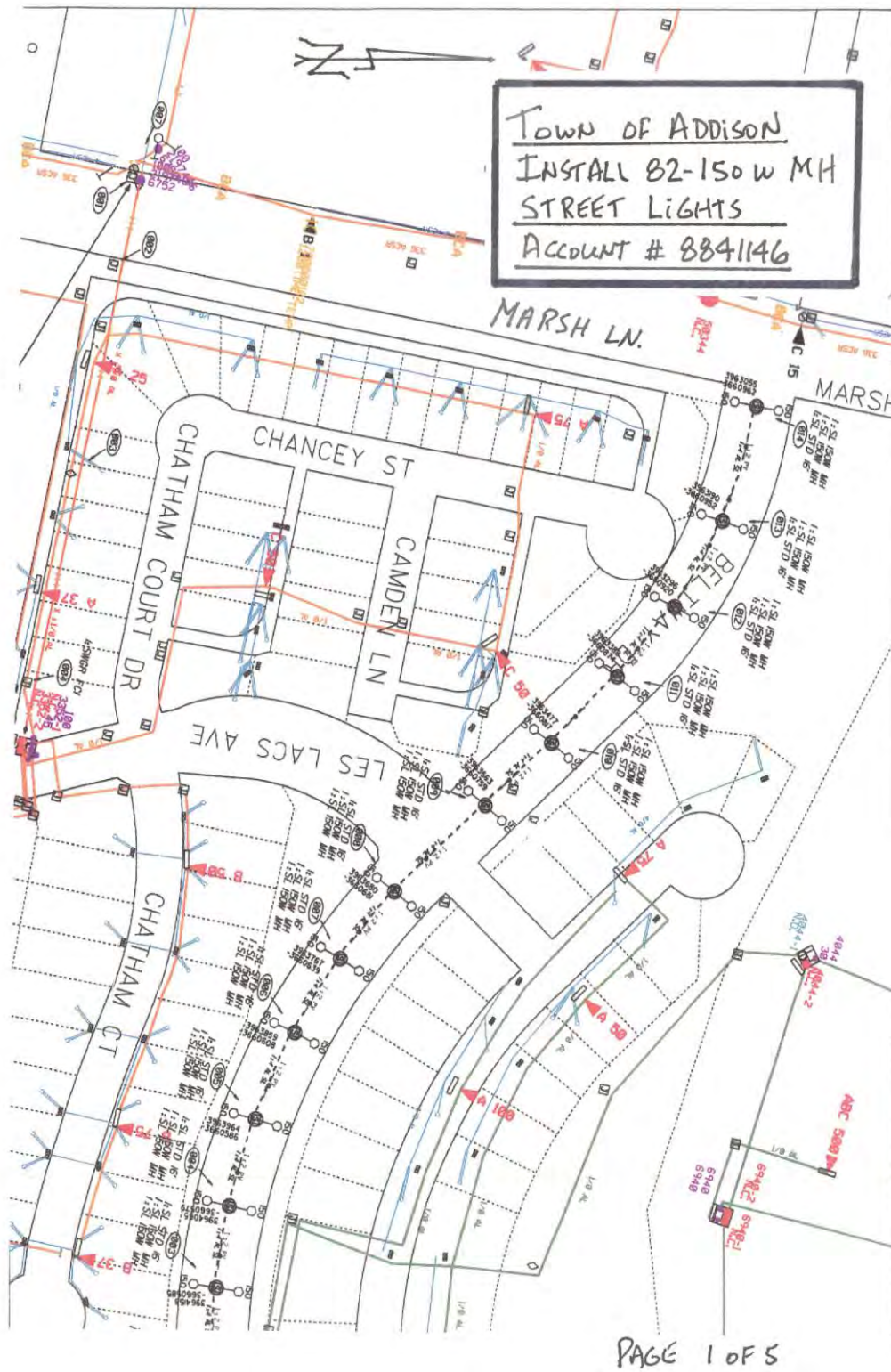
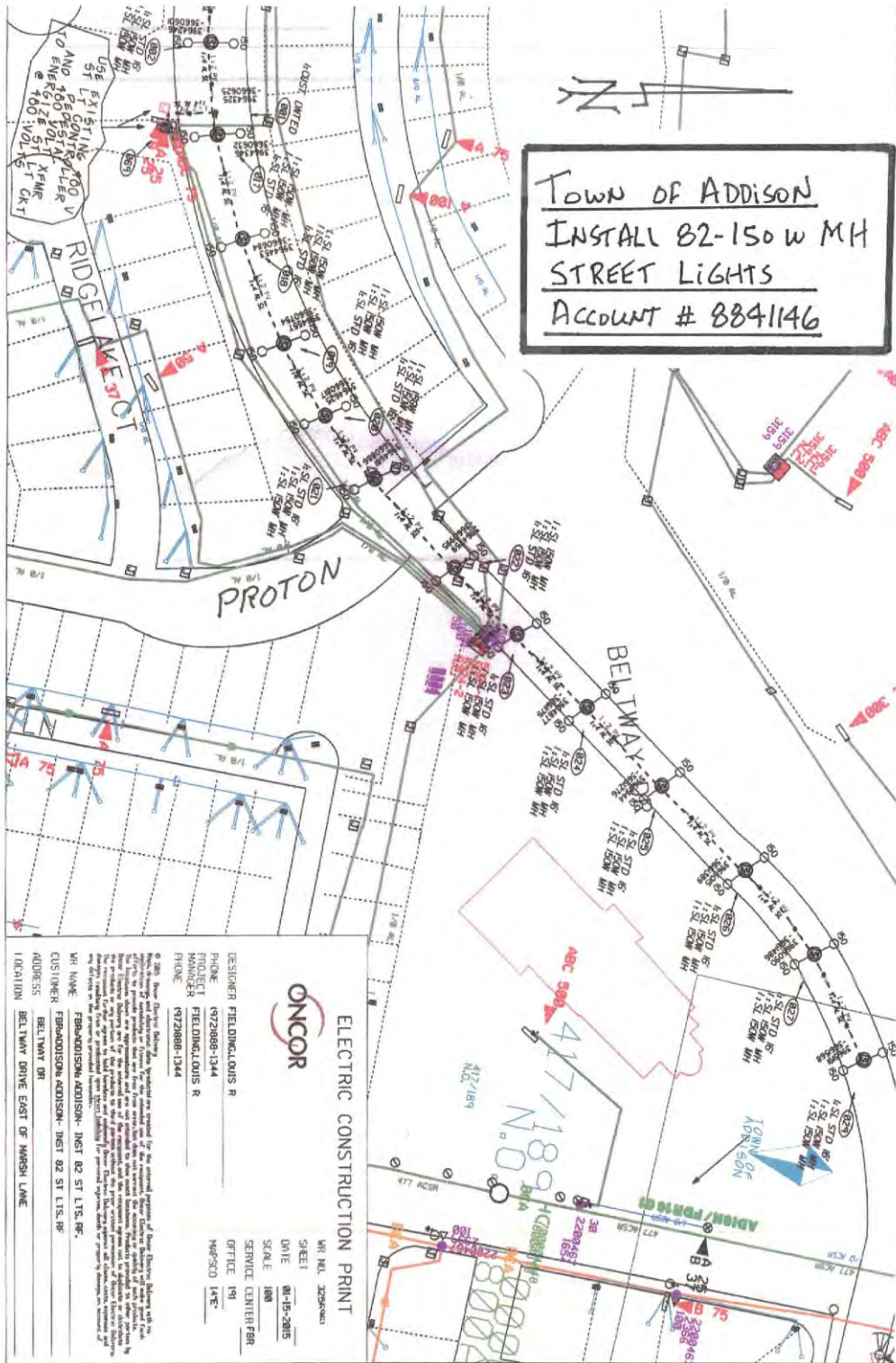


EXHIBIT B



PAGE 2 OF 5

EXHIBIT B

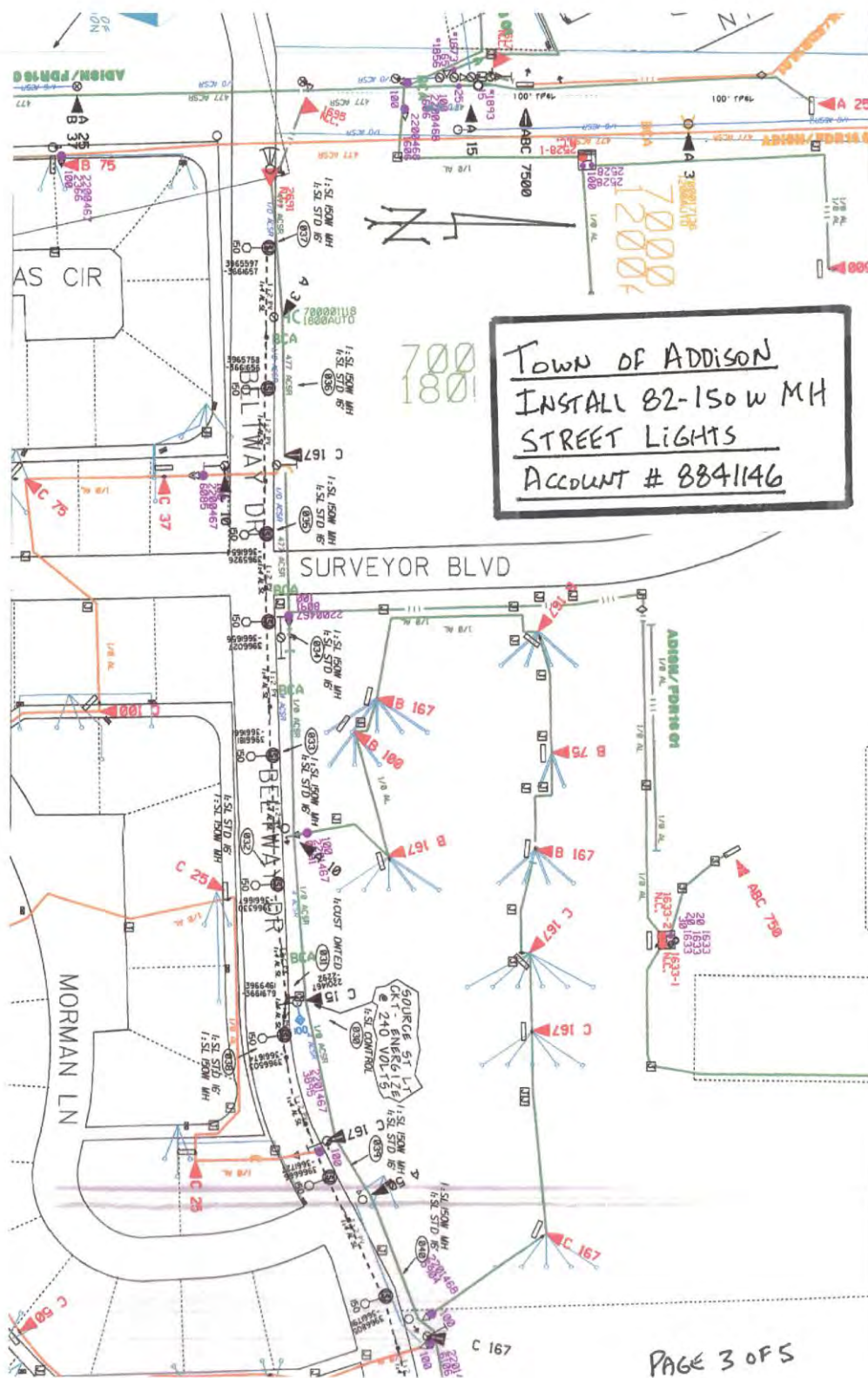
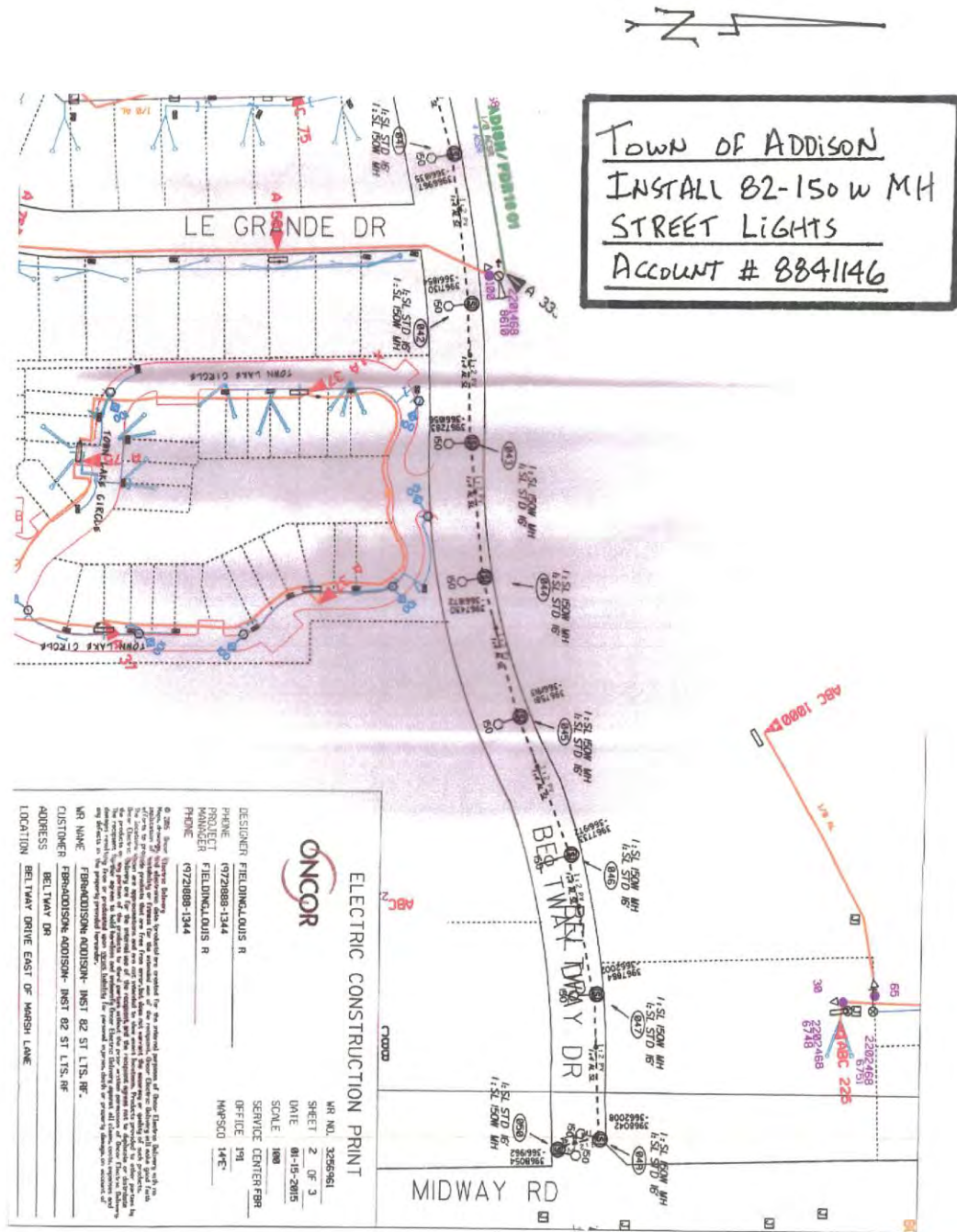


EXHIBIT B



TOWN OF ADDISON
INSTALL 82-150 W MH
STREET LIGHTS
ACCOUNT # 8841146

MIDWAY RD

BELT LINE RD

BELTWAY DR

PAGE 5 OF 5

EXHIBIT B

**Oncor Electric Delivery Company LLC,
a Delaware limited liability company**

Rick Fielding
Project Manager
14400 Josey Lane
Farmers Branch, Texas 75234
469-261-5255 Rick.fielding@Oncor.com

Town of Addison
Attn: Slade Strickland
16801 Westgrove Drive
Addison, Tx. 75001

Statement of Charges

Date: 03-03-2015

WR #: 3256961

Transaction ID: 33923

Services provided at:
Beltway Drive
Addison, Texas 75001

DESCRIPTION	AMOUNT
Install 82-150 Watt MH Hanover Luminaires with Arms on 57-16' Philadelphia Street Light Standards, 3 Handholes, 2 St Lt Pole Risers, 2 St Lt Controllers, and 6500' of #4 al 2kv St Lt Secondary in 2" pvc conduit. All Civil including Trench, Conduit, Foundations, and handholes to be provided and Installed By Customer.	121,840.25
Total Amount Due Upon Receipt	\$121,840.25

* Price quoted is valid for sixty (60) days from the date of this document.

* Permit payment per instructions below.

* Project will be scheduled upon Project Manager's receipt of Executed Agreement(s).

* Payment is expected within 30 days from completion date of project.

* Please contact your Project Manager if you have any questions.

EFT / Electronic Funds Transfer

JP Morgan Chase Bank

ABA No. (Wire) 021000021

ABA No. (ACH) 111000614

For Credit To:

Oncor Electric Delivery

Acct #: 08806169791

*Once EFT has been initiated please forward
confirmation number and transfer date to:*

Please make all check(s) payable to

Oncor Electric Delivery

Permit to:

Vickie Coe

Oncor Electric Delivery

1545 High Point Dr

Mesquite TX 75149

*Please Include the WR # and Transaction ID (as listed above) on all
correspondence including your Check or EFT.*

Failure to do so will cause unnecessary delays with your project.



EXHIBIT C

Tariff for Retail Delivery Service Oncor Electric Delivery Company LLC

6.3 Agreements and Forms

Applicable: Entire Certified Service Area
Effective Date: September 21, 2009

Page 1 of 2

6.3.5 Discretionary Service Agreement

WR # 3270327
Transaction ID: 33913

This Discretionary Service Agreement ("Agreement") is made and entered into this 2nd day of March, 2015, by Oncor Electric Delivery Company LLC ("Oncor Electric Delivery Company" or "Company"), a Delaware limited liability company and distribution utility, and Town of Addison ("Customer"), a City, each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties". In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. **Discretionary Services to be Provided** -- Company agrees to provide, and Customer agrees to pay for, the following discretionary services in accordance with this Agreement.

Bore 3-2"pvc conduit 200' each, Bore 1-4"pvc conduit 200', Replace 1920' of single phase #1/0 Primary, 600' of 3 phase #1/0 Primary, and Replace Terminations at 1 Switchgear, 3 Transformers and 1 Pull-box. Total cost to be billed to Customer \$63,511.76

2. **Nature of Service and Company's Retail Delivery Service Tariff** -- Any discretionary services covered by this Agreement will be provided by Company, and accepted by Customer, in accordance with applicable Public Utility Commission of Texas ("PUCT") Substantive Rules and Company's Tariff for Retail Delivery Service (including the Service Regulations contained therein), as it may from time to time be fixed and approved by the PUCT ("Company's Retail Delivery Tariff"). During the term of this Agreement, Company is entitled to discontinue service, interrupt service, or refuse service initiation requests under this Agreement in accordance with applicable PUCT Substantive Rules and Company's Retail Delivery Tariff. Company's Retail Delivery Tariff is part of this Agreement to the same extent as if fully set out herein. Unless otherwise expressly stated in this Agreement, the terms used herein have the meanings ascribed thereto in Company's Retail Delivery Tariff.

3. **Discretionary Service Charges** -- Charges for any discretionary services covered by this Agreement are determined in accordance with Company's Retail Delivery Tariff. Company and Customer agree to comply with PUCT or court orders concerning discretionary service charges.

4. **Term and Termination** -- This Agreement becomes effective upon acceptance by Customer and continues in effect until project is Completed. Termination of this Agreement does not relieve Company or Customer of any obligation accrued or accruing prior to termination.

5. **No Other Obligations** -- This Agreement does not obligate Company to provide, or entitle Customer to receive, any service not expressly provided for herein. Customer is responsible for making the arrangements necessary for it to receive any further services that it may desire from Company or any third party.

6. **Governing Law and Regulatory Authority** -- This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to all valid, applicable federal, state, and local laws, ordinances, and rules and regulations of duly constituted regulatory authorities having jurisdiction.

7. **Amendment** -- This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties. But changes to applicable PUCT Substantive Rules and Company's Retail Delivery Tariff are applicable to this Agreement upon their effective date and do not require an amendment of this Agreement.

8. **Entirety of Agreement and Prior Agreements Superseded** -- This Agreement, including all attached Exhibits, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the service(s) expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and undertakings, oral or written, between the Parties with regard to the subject matter hereof, including without limitation N/A, and all such agreements and undertakings are agreed by the Parties to no longer be of any force or effect. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

9. **Notices** -- Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

- (a) If to Company:
ONCOR Electric Delivery Co., LLC
Attn: Rick Fielding
14400 Josey Lane
Farmers Branch, Tx. 75234



EXHIBIT C

Tariff for Retail Delivery Service Oncor Electric Delivery Company LLC

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 21, 2009

Page 2 of 2

(b) If to Customer:
Town of Addison
Attn: Slade Strickland
16801 Westgrove Dr.
Addison, Tx. 75001

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other.

10. **Invoicing and Payment** -- Invoices for any discretionary services covered by this Agreement will be mailed by Company to the following address (or such other address directed in writing by Customer), unless Customer is capable of receiving electronic invoicing from Company, in which case Company is entitled to transmit electronic invoices to Customer.

Town of Addison
Attn: Slade Strickland
16801 Westgrove Dr.
Addison, Tx. 75001

If Company transmits electronic invoices to Customer, Customer must make payment to Company by electronic funds transfer. Electronic invoicing and payment by electronic funds transfer will be conducted in accordance with Company's standard procedures. Company must receive payment by the due date specified on the invoice. If payment is not received by the Company by the due date shown on the invoice, a late fee will be calculated and added to the unpaid balance until the entire invoice is paid. The late fee will be 5% of the unpaid balance per invoice period.

11. **No Waiver** -- The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.

12. **Taxes** -- All present or future federal, state, municipal, or other lawful taxes (other than federal income taxes) applicable by reason of any service performed by Company, or any compensation paid to Company, hereunder must be paid by Customer.

13. **Headings** -- The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

14. **Multiple Counterparts** -- This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

15. **Other Terms and Conditions** --

(i) Customer has disclosed to Company all underground facilities owned by Customer or any other party that is not a public utility or governmental entity, that are located within real property owned by Customer. In the event that Customer has failed to do so, or in the event of the existence of such facilities of which Customer has no knowledge, Company, its agents and contractors, shall have no liability, of any nature whatsoever, to Customer, or Customer's agents or assignees, for any actual or consequential damages resulting from damage to such undisclosed or unknown facilities.

(ii) Town of Addison agrees that payment shall be made within 30 days of the date the project is completed or the date the invoice is received, whichever is later.

(iii) The Discretionary Service Charges provided in this agreement are for Oncor Electric Delivery facilities only and do not include any charges related to the relocation of any facilities owned by a franchised utility, governmental entity, or licensed service provider (Joint User). The customer must contact all Joint Users and make arrangements to have their facilities transferred or relocated. Oncor Electric Delivery cannot complete the relocation/removal of facilities outlined in this agreement until Joint User(s) remove their facilities attached to Oncor Electric Delivery Poles.

(iv)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

Oncor Electric Delivery Company LLC

Town of Addison

Customer / Entity

Rick Fielding

Signature

Signature

Rick Fielding

Printed Name

Printed Name

Project Manager

Title

Title

3-2-2015

Date

Date



EXHIBIT C

Oncor Electric Delivery Company LLC,
a Delaware limited liability company

Rick Fielding
Project Manager
14400 Josey Lane
Farmers Branch, Texas 75234
469-261-5255 Rick.fielding@oncor.com

Town of Addison
Attn: Slade Strickland
16801 Westgrove Drive
Addison, Tx. 75001

Statement of Charges

Date: 02-26-15

WR #: 3270327

Transaction ID: 33913

Services provided at:
Beltway Drive @ Proton Drive
Addison, Texas 75001

DESCRIPTION	AMOUNT
Bore 3-2"pvc conduit 200' each, Bore 1-4"pvc conduit 200', Replace 1920' of single phase #1/0 Primary, 600' of 3 phase #1/o Primary, and Replace Terminations at 1 Switchgear, 3 Transformers and 1 Pull-box.	63,511.76
Total Amount Due Upon Receipt	\$63,511.76

* Price quoted is valid for sixty (60) days from the date of this document.

* Remit payment per instructions below.

* Project will be scheduled upon Project Manager's receipt of Executed Agreement(s).

* Payment is expected within 30 days from completion date of project.

* Please contact your Project Manager if you have any questions.

EFT / Electronic Funds Transfer

JP Morgan Chase Bank

ABA No. (Wire) 021000021

ABA No. (ACH) 111000614

For Credit To:

Oncor Electric Delivery

Acct #: 08806169791

Once EFT has been initiated please forward confirmation number and transfer date to:

Please make all check(s) payable to

Oncor Electric Delivery

Remit to:

Vickie Coe

Oncor Electric Delivery

1545 High Point Dr

Mesquite TX 75149

Please Include the WR # and Transaction ID (as listed above) on all correspondence including your Check or EFT.

Failure to do so will cause unnecessary delays with your project.



AI-1134

15.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Parks & Recreation

Council Goals: Create raving fans of the Addison Experience.
Implement bond propositions

AGENDA CAPTION:

Discuss, consider and take action regarding an agreement with Groves Electric Service Inc. for an amount not to exceed \$2,018,182.26.

BACKGROUND:

This agreement will allow the Town of Addison to construct the Beltway and Proton Pedestrian Improvements (Phase 2) as a part of the Town's Pedestrian Connectivity Project, which is funded by Proposition 6 of the 2012 Bond Election. An attached map identifies this project as the Beltway and Proton Pedestrian Improvements (Phase 2) which is highlighted in yellow. Phase 1 of the Beltway and Proton Pedestrian Improvements was the Redding Trail Expansion.

The total amount of the contract is \$1,953,182.26, with a project contingency in the amount of \$65,000, for a total approved amount of \$2,018,182.26.

RECOMMENDATION:

Administration recommends approval.

Fiscal Impact

Budgeted Yes/No: Yes

Funding Source: 2012 Capital Project Fund

Amount: \$2,018,182.26

Attachments

Pedestrian Connectivity Project Map

2012 Bond Election - Proposition 6 Budget

Bid Tab

Denton
County

Collin
County

Carrollton

Addison

Beltway and Proton
Pedestrian Improvements
(Phase 1)

South Quorum
Lighting

Dallas
County

Beltway and Proton
Pedestrian Improvements
(Phase 2)

Addison

Farmers Branch

PEDESTRIAN CONNECTIVITY PROJECTS

Proposition 6 - 2012 Bond Program

Pedestrian Connectivity Project
Proposition 6 - 2012 Bond Election

5/18/2015

Pedestrian Connectivity Funding Sources	Amount	Status
Proposition 6 - 2012 Bond Election	\$3,500,000.00	
Matching Trail Funding - Dallas County	\$123,498.20	Matching not to exceed \$237,100
Pedestrian Connectivity CIP Funding - Beltway, Proton and South Quorum	\$440,900.00	Street and Lighting Improvements
Total Pedestrian Connectivity Funding	\$4,064,398.20	

Pedestrian Connectivity Master Plan	-\$69,000.00
--	---------------------

Beltway and Proton Pedestrian Connectivity		
Design fees(for both phases includes consultant fees and surveys)	-\$310,735.00	Complete
Construction Costs		
Phase 1 - Redding Trail Expansion	-\$280,009.79	Complete
Phase 2 - Beltway and Proton Pedestrian Improvements	-\$1,953,182.26	Awaiting Council Approval
Oncor Costs	-\$194,624.65	Awaiting Council Approval
Project Contingency	-\$65,000.00	Pending
Total Cost for the Beltway and Proton Pedestrian Connectivity Project	-\$2,803,551.70	

South Quorum Pedestrian Connectivity	-\$1,179,156.00
---	------------------------

Pedestrian Connectivity Funding Available	\$12,690.50
--	--------------------

*Updated: 11/13/2013; 6/20/2014; 7/23/2014; 8/11/2014; 8/12/2014; 8/20/2014; 10/13/14; 12/10/2014; 1/5/2015; 1/12/2015; 1/26/2015; 2/26/2015; 3/2/2015; 3/3/2015; 5/13/2015



15-29 Addison Beltway Expansion Phase 2&3
May 7, 2015 | 2:00pm
Finance Building 5350 Belt Line Road, Dallas TX 75254

Bidder	Base Bid Total	Option A (Lighting)	Option B (Hardscape)	Option C (Landscape)
Groves Electrical Service	\$1,953,182.26	\$569,614.00	\$1,208,341.19	\$175,227.07
Jim Bowman Construction	\$2,348,856.75	\$355,160.00	\$1,769,863.75	\$223,833.00
The Fain Group	\$2,947,902.00	\$1,424,511.00	\$1,262,466.00	\$260,925.00
Illuminations by Greenlee	-	\$328,845.62	\$39,913.00 (partial bid)	-
American Landscape Systems	-	-	-	\$149,165.00

AI-1143

16.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: Parks & Recreation

Council Goals: Create raving fans of the Addison Experience.
Infrastructure improvement and maintenance

AGENDA CAPTION:

Discuss, consider and take action regarding an agreement with Lea Park and Play for the installation of a new playground at Les Lacs Park for an amount of \$194,763.

BACKGROUND:

This playground system will replace the existing playground located in Les Lacs Park across the street from the Athletic Club. The scope of work involves removal of the existing playground and pea gravel surface, followed by installation of a new playground structure with a shade canopy and rubberized poured in place surfacing. A rendering of the playground system is attached to this memorandum.

If approved the work should begin in August 2015 and completed by the end of September weather permitting. The pavilion and playground area will be closed and fenced off during the construction process.

Lea Park and Play has completed several successful playground installations for surrounding cities. Staff visited a playground they recently installed for the City of Richardson, which clearly proved to be of the highest quality and workmanship. Their references responded favorably; therefore, administration recommends approval.

RECOMMENDATION:

Administration recommends approval.

Fiscal Impact

Budgeted Yes/No: Yes

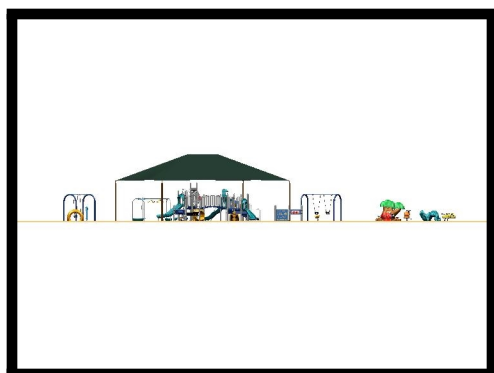
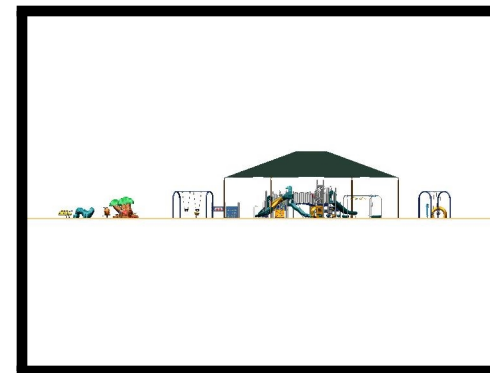
Funding Source: Infrastructure Investment Fund

Amount: \$194,763

Attachments

Playground Rendering 1

Bid Tabulation Form



Playgrounds Fun & Easy!

Project:
**Les Lacs Linear
North Park**

Project No.
LP542_4213181887_2
Drawn: 2015-05-07

Presented By:



Jake Wimpee
Lea Park & Play, Inc
(972) 690-8163



This play equipment complies with the safety performance specifications of ASTM for children 2-12 years old. Not all equipment may be appropriate for all children. Supervision is required.



PlayPower LT Farmington, Inc.
800-325-8828 www.ltcps.com



Bid #15-25 Les Lacs Playground Renovation

April 17, 2015 | 2:00pm

Finance Building 5350 Belt Line Road, Dallas TX 75254

Bidder	New Playground, poured-in-place surface and shade structure
Lea Park & Play	\$194,763.00
Cross Country Corporation (Game Time)	\$239,875.00
T.F. Harper & Associates, LP	\$229,950.00
Recreation Consultants of Texas	\$228,836.60

AI-1174

Item # 0.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: City Manager

Council Goals: N/A

AGENDA CAPTION:

Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to seek the advice of its attorney(s) regarding pending litigation: Town of Addison, Texas v. ProAir Developments, L.P., Cause No. DC-13-15164, 14th Judicial District, Dallas County, Texas and anticipated litigation, Hunse v. Town of Addison, et. al, and anticipated litigation regarding use of newsletter email distribution list.

BACKGROUND:

N/A

RECOMMENDATION:

N/A

AI-1175

Item # 1.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: City Manager

Council Goals: N/A

AGENDA CAPTION:

RECONVENE INTO REGULAR SESSION: In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

BACKGROUND:

N/A

RECOMMENDATION:

N/A

AI-1173

17.

Work Session and Regular Meeting

Meeting Date: 06/09/2015

Department: City Manager

Council Goals: N/A

AGENDA CAPTION:

Discuss, consider and take action regarding a resolution approving the release and settlement agreement regarding the Town's newsletter email distribution list.

BACKGROUND:

N/A

RECOMMENDATION:

N/A
